

November 13, 2013

Results Presentation

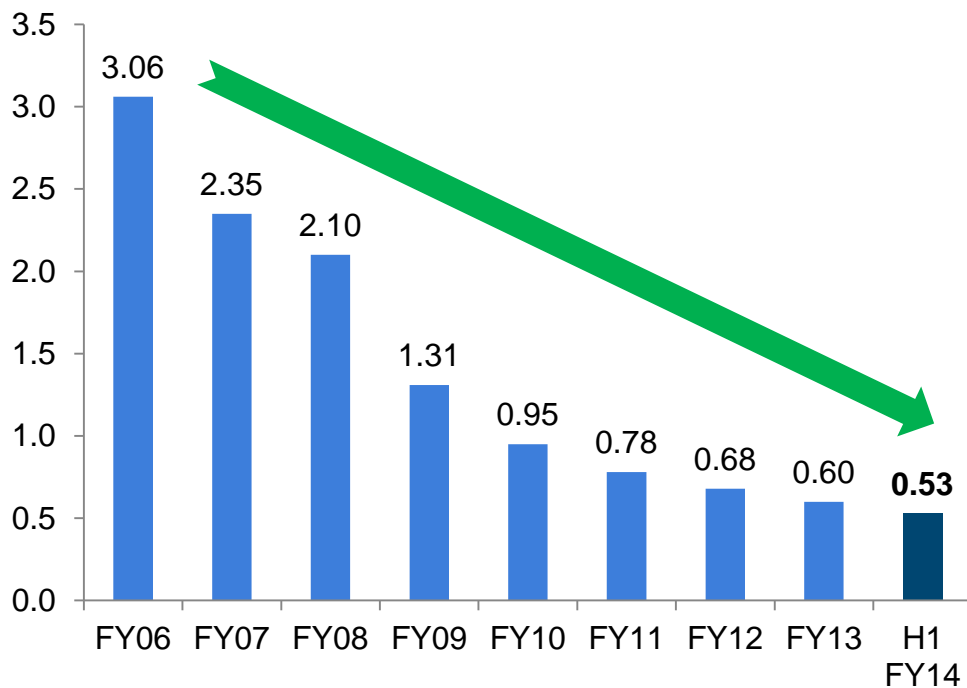
Second Quarter Ended 30th Sept 2013

Disclaimer



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 could differ materially from those expressed 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 Government regulations, tax laws and other statutes and incidental factors.

Lost Time Injury Frequency (LTIF)

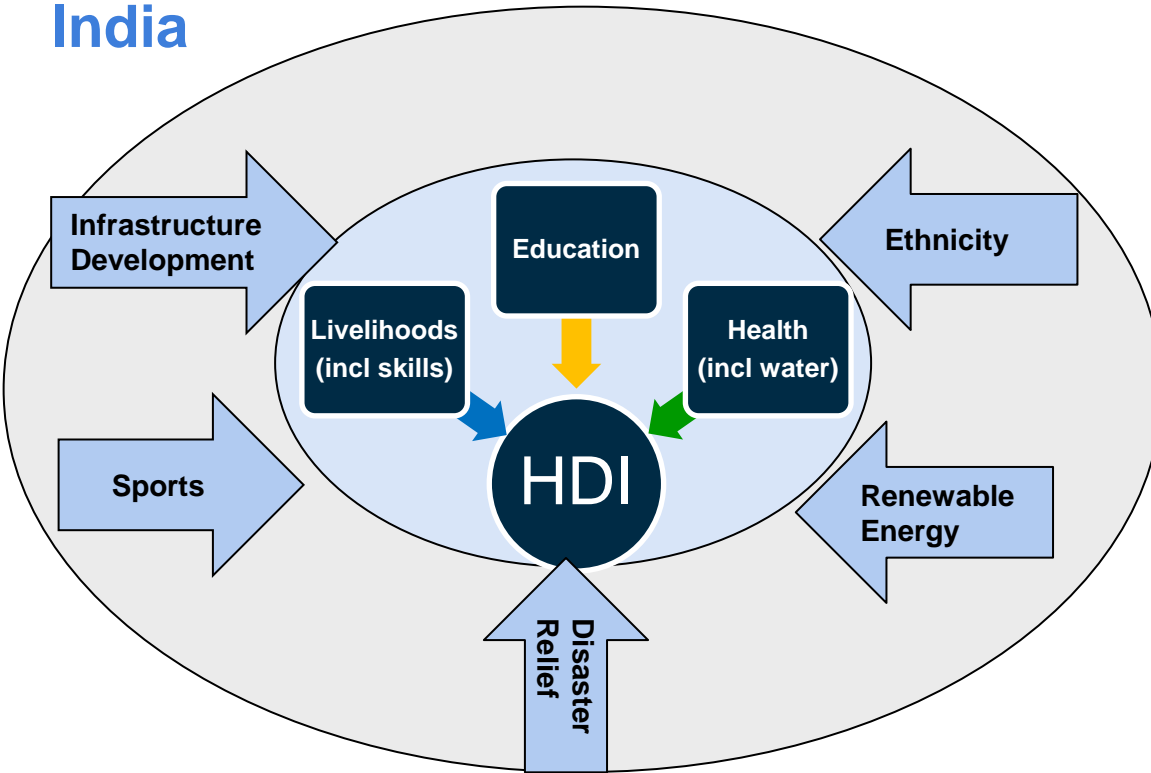


- Reduction continues in lost time injuries with H1 FY14 performance 12% better than FY13
- Tragic fatal incidents in H1 has led to detailed reviews to ensure lessons learnt across group
- Implementation of common H&S management system across Tata Steel progressing well

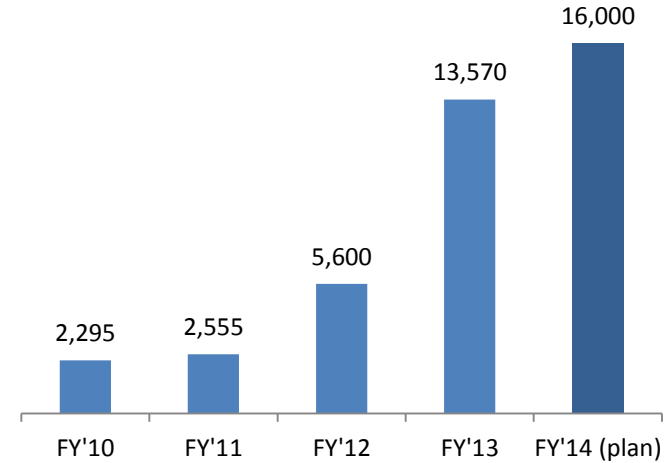
Tata Steel Group continues to focus on engaging with communities and improving quality of life



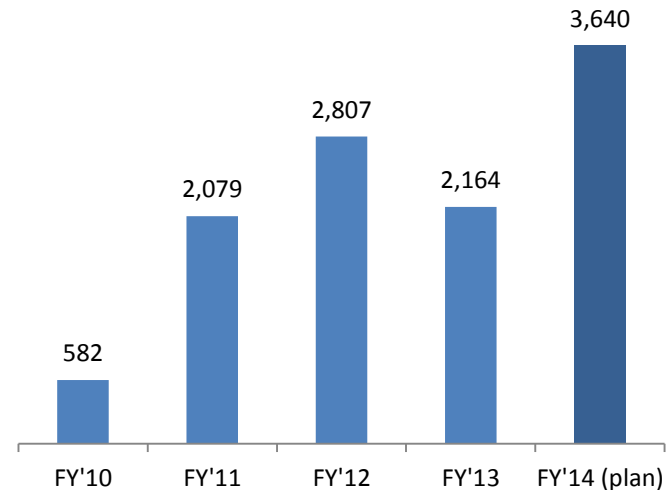
India



No. of adults turned literate



No. of youth skilled



Total Population Impacted : 2.42 million in Jharkhand, Odisha and Chattisgarh

Tata Relief Committee organised extensive relief operations in Odisha to help the cyclone affected people

Tata Steel Group continues to focus on engaging with communities and improving quality of life



Europe

- **Community Partnership Programme** at TSE is focused on environment, health and well-being and education
- **Europe-wide programme called 'Future Generations'** was launched in April 2013
- **"Neighbours Day" in IJmuiden**
2,500 people from local community visited IJmuiden to promote awareness on safety, education and the environment
- **Focus on improving environment**
 - Reducing dust emissions following re-start of Blast Furnace 4 in Port Talbot
 - Continued focus on improving energy efficiency and reducing CO₂ emissions
- **Tata Kids of Steel mini triathlon**
 - Promotes health and wellbeing to 8-13 year olds
 - >8,000 children took part in 12 events across UK
 - Largest events near Tata Steel's main manufacturing sites

Agenda



Consolidated Highlights

Performance of Indian and South East Asian Operations

Performance of European Operations

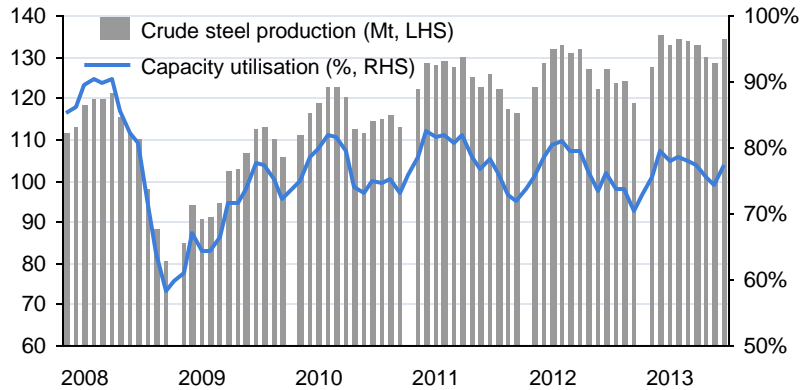
Group Financial Performance

Key Developments

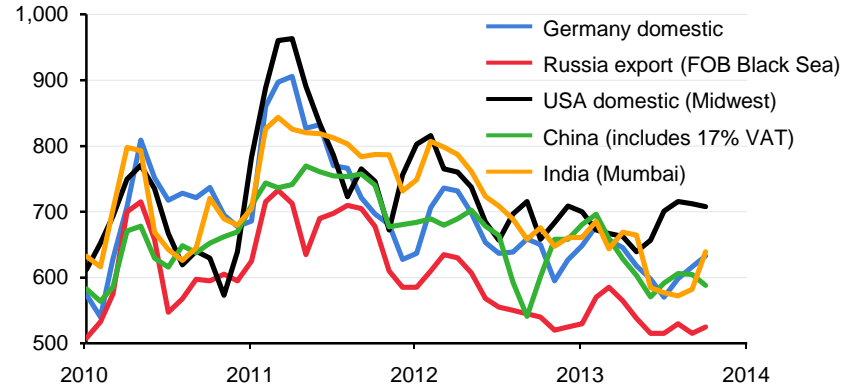
Steel Market Developments



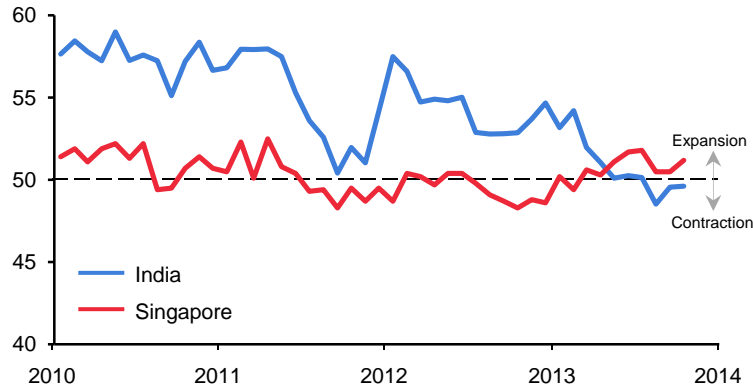
Global crude steel production & capacity utilisation



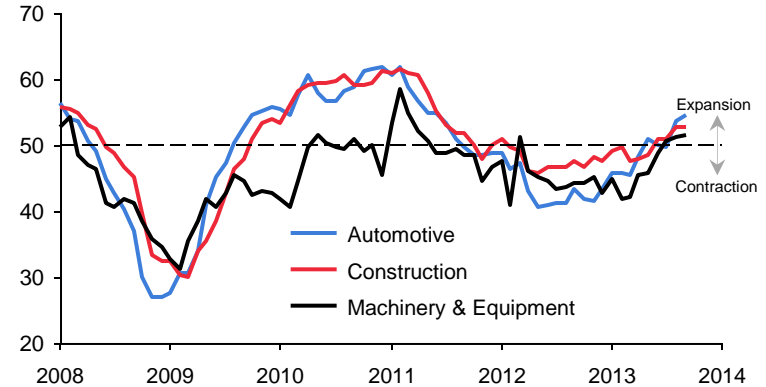
HRC spot price (US\$/tonne)



PMIs for India and Singapore



PMIs for main steel using sectors in EU



India and Singapore continues to grow albeit at a slower pace. EU steel demand is expected to slowly pick up in Q3 of FY14 and to continue to grow as steel using sectors recover.

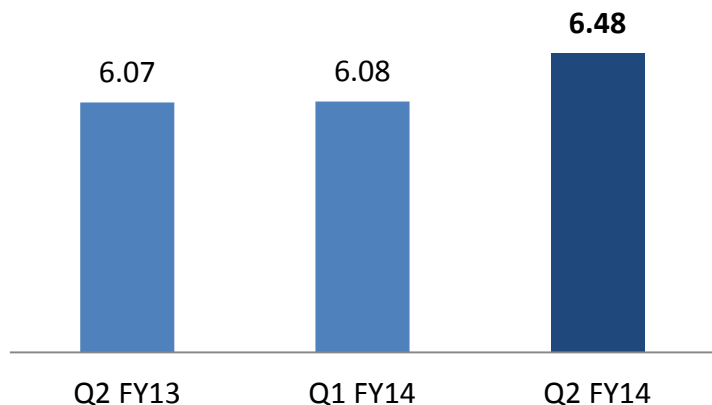
Group Financial Highlights

Second Quarter Ended 30th Sept, 2013



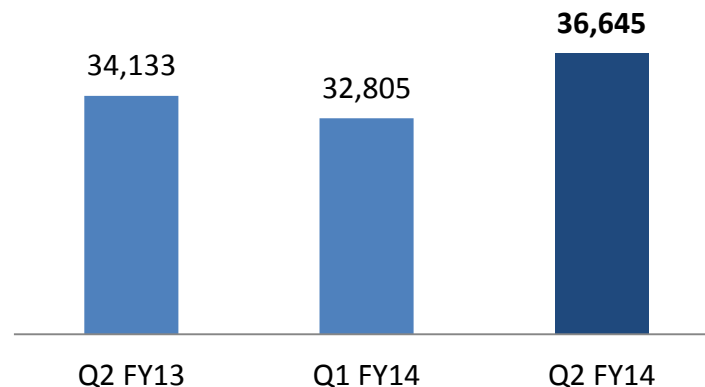
Deliveries

Mn T



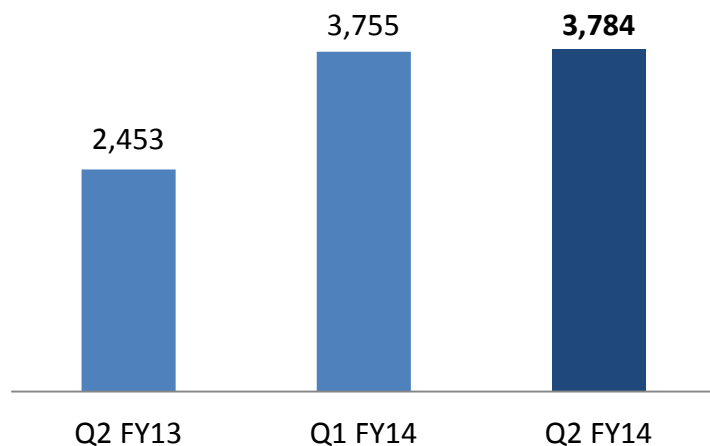
Turnover

Rs. Crore



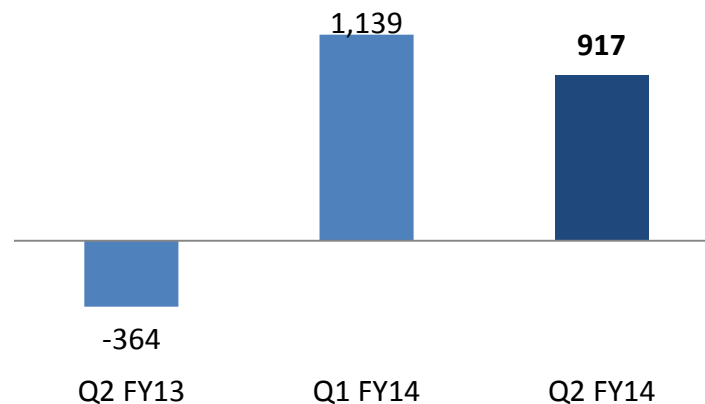
EBITDA

Rs. Crore



PAT

Rs. Crore



Key Drivers

Second Quarter Ended 30th Sept, 2013



India

- Volumes steady despite seasonally soft quarter and weak macroeconomic condition
- Sequential improvement in underlying EBITDA/t

Europe

- Stabilising operations led to best like-for-like quarterly production for five years
- Higher proportion of own steel make, cost savings and differentiated products led to improved y/y EBITDA/t levels despite soft Q2 pricing and demand

South East Asia

- Deliveries improved at NatSteel and Thailand
- EBITDA performance improved sequentially due to operational efficiencies

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Group Financial Performance

Key Developments

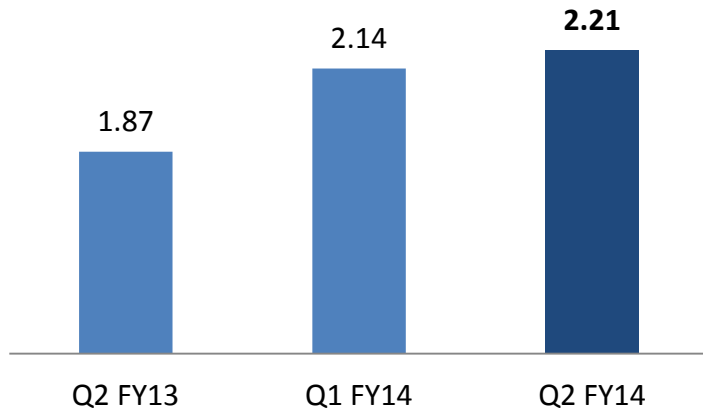
Performance of Tata Steel India

Second Quarter Ended 30th Sept, 2013



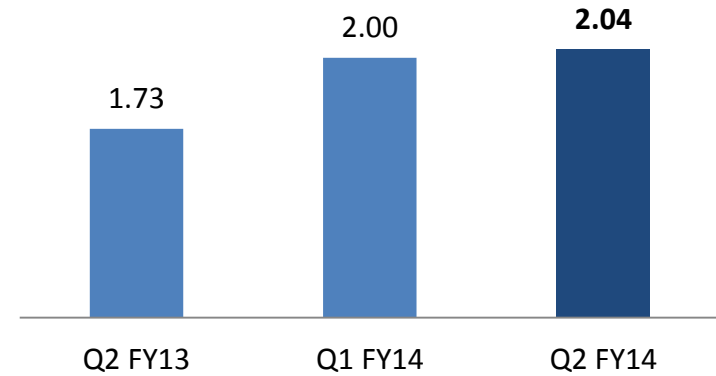
Production

Mn T



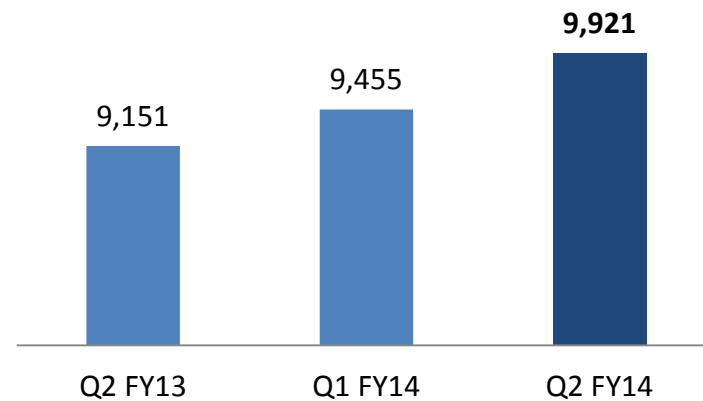
Deliveries

Mn T



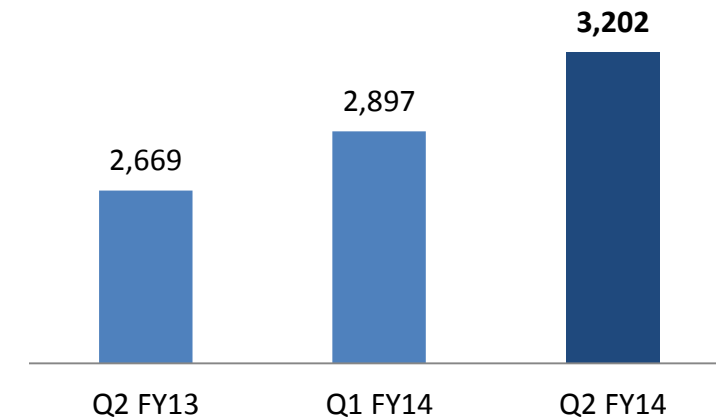
Turnover

Rs. Crore



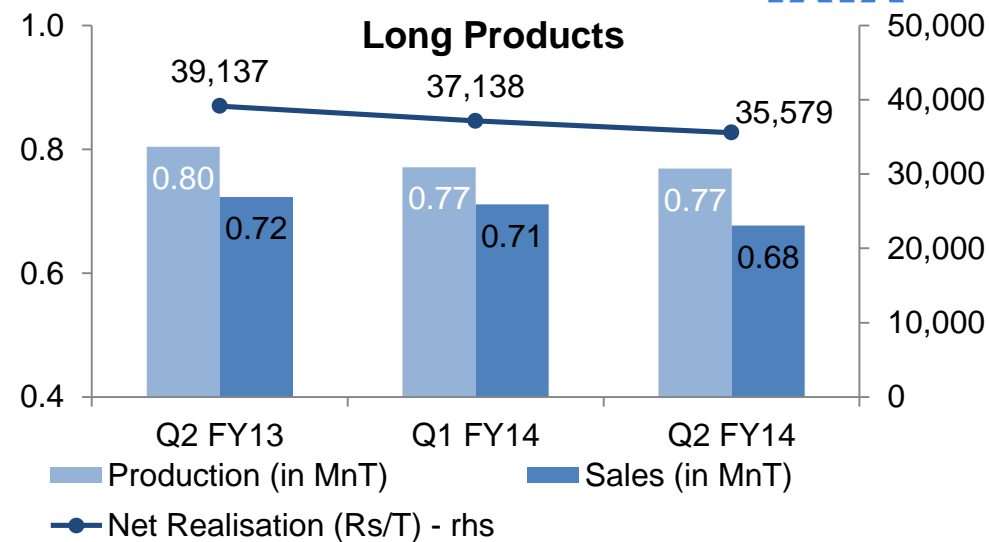
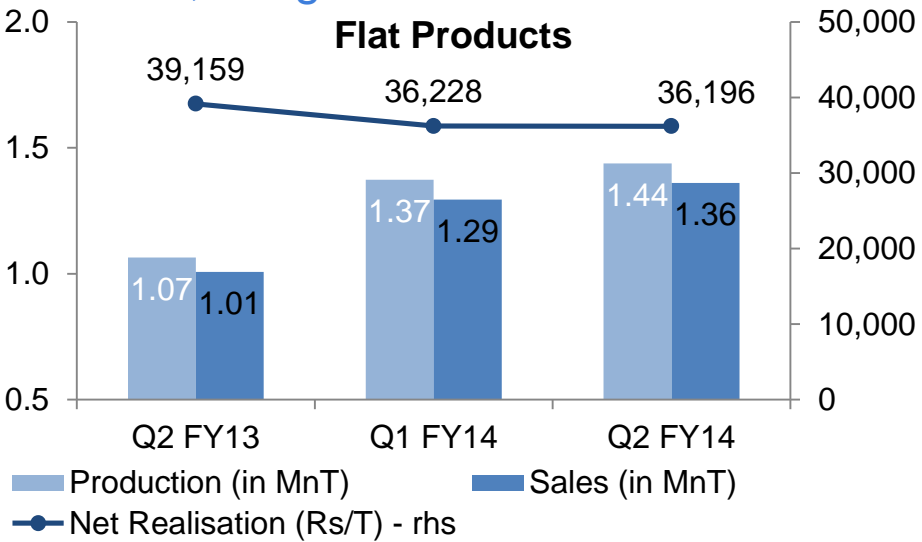
EBITDA

Rs. Crore

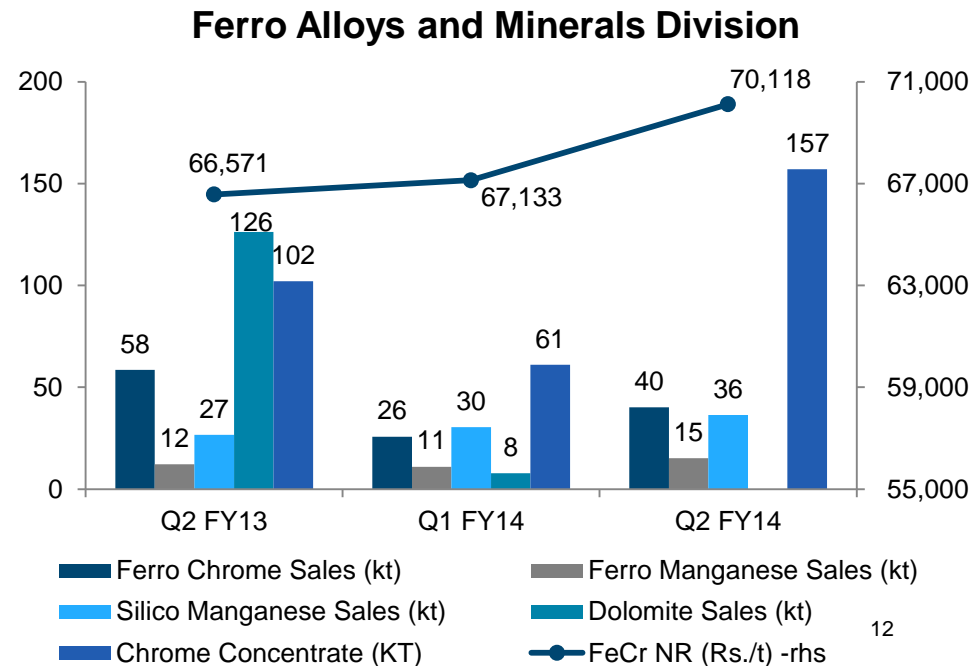


Performance of Tata Steel India

Flats, Longs and FAMD



- FP sales volume increased by 35% YoY in Q2 FY'14 – value added products sales to auto customers increased by 9% YoY
- LP sales volume decreased by 5% QoQ due to strong monsoons
- FAMD operations delivered higher volumes of chrome concentrate and better FeCr realisations

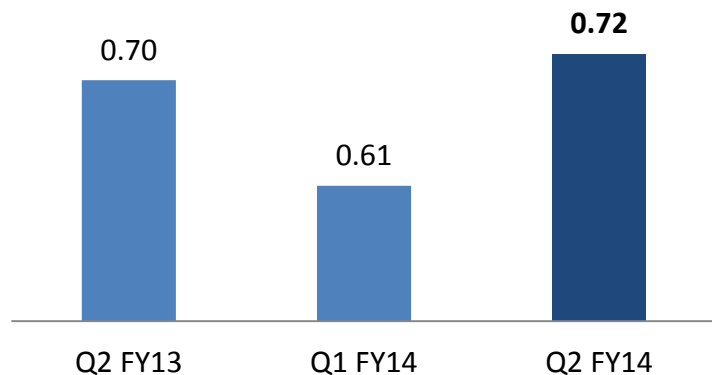


Performance of South East Asia

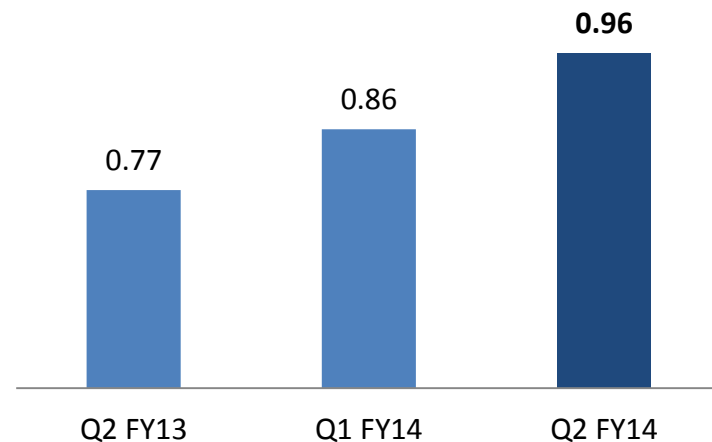
Second Quarter Ended 30th Sept, 2013



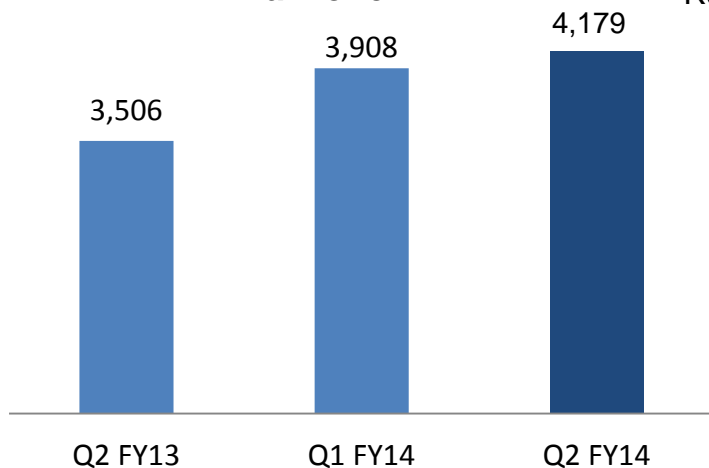
Production Mn T



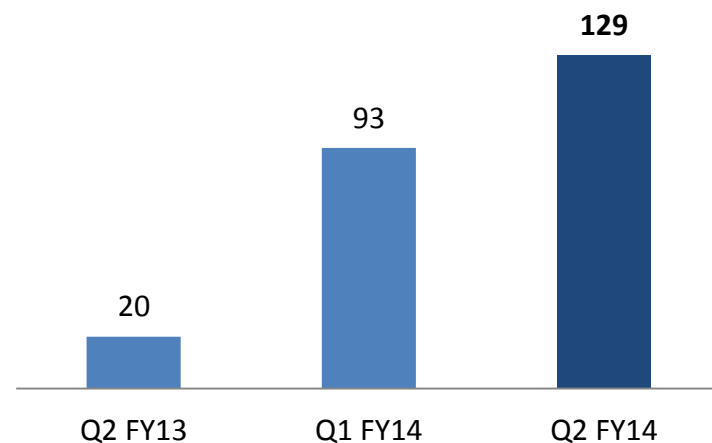
Deliveries Mn T



Turnover Rs. Crore



EBITDA Rs. Crore



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Performance of Indian and South East Asian Operations

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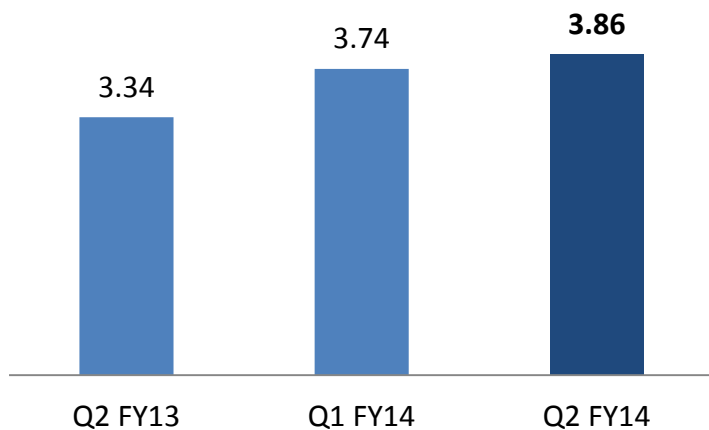
Key Developments

Performance of Tata Steel Europe

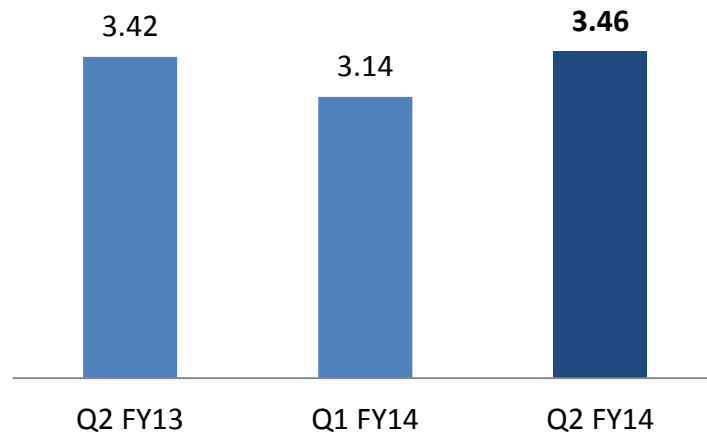
Second Quarter Ended 30th September, 2013



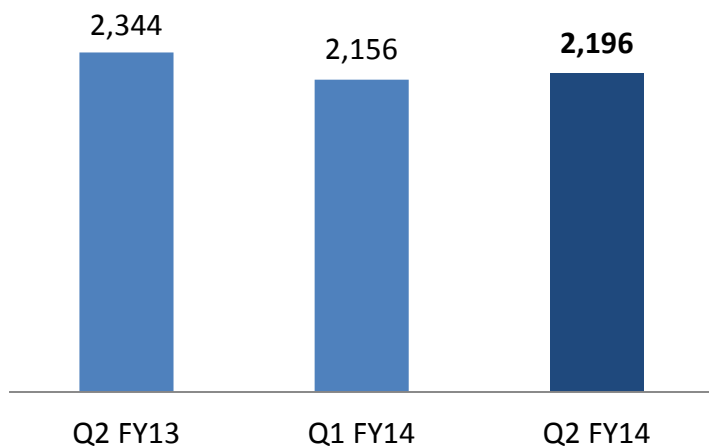
Liquid Steel Production Mn T



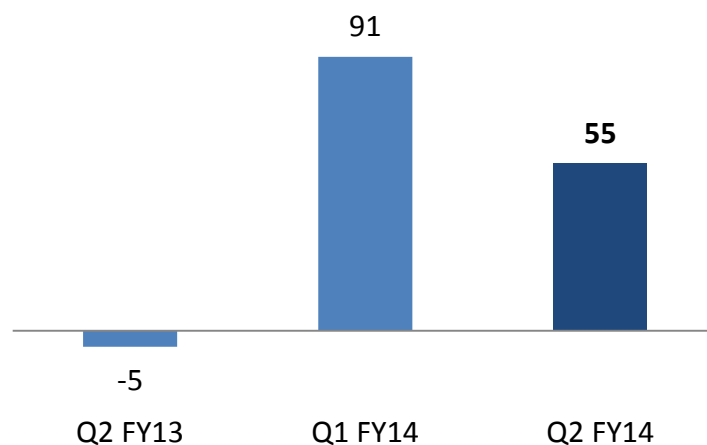
Deliveries Mn T



Turnover GBP mn



EBITDA GBP mn

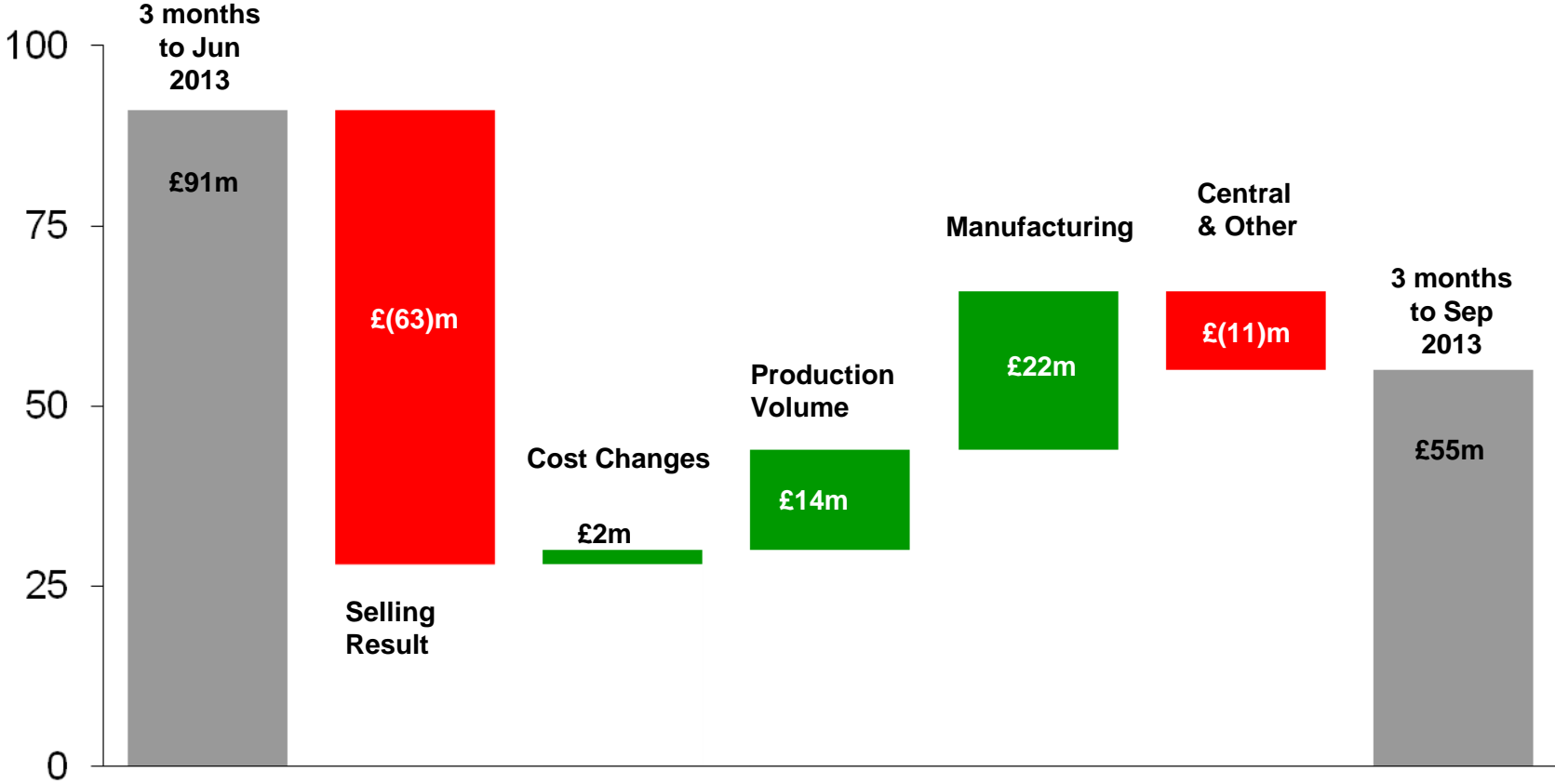


European operations

EBITDA bridge Q2 FY2014 vs. Q1 FY2014



£ million





Improved Performance

- Operations continued to stabilise leading to highest like-for-like quarterly steel production in five years
- Increased production led to higher proportion of own steel make in finished product output, capturing more added value and resulting in improved y/y EBITDA performance
- Focus on costs continued, helping to improve EBITDA

Differentiated Products Strategy

- H1 sales of differentiated product up 13% (y/y)
- Projects to increase premium steels to automotive, rail, aerospace and energy customers
- Significant rail contracts, inc. long-term UK contract

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Group Financial Performance

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Group Financial Performance – Q2 FY14



Figures in Rs. Crore unless specified

	Q2 FY14				Q2 FY13
	Tata Steel India	Tata Steel Europe	SE Asia	Others	Tata Steel Group
Deliveries (Mn T)	2.04	3.46	0.96	0.03	6.48
Turnover	9,921	21,149	4,179	1,396	36,645
EBITDA	3,202	554	129	-101	3,784
EBITDA Margin (%)	32%	3%	3%		10%
EBITDA/tonne (Rs.)	15,706	1,604	1,341		5,837
					Q2 FY14
Profit Before Tax					1,398
Profit After Tax, Minority Interest and Associates' Income *					917
					Q2 FY13
					247
					-364

* PAT for Q2 FY13 includes exceptional gains of Rs. 43 crores

Standalone Results – QoQ Variations



All figures in Rs. Crore **TATA**

Particulars	Q2 FY14	Q1 FY14	Key Reasons
Net sales	9,826	9,363	Higher volumes in flat segment and FAMD partly compensated by lower realisation and decrease in LP volumes
Other operating income	95	92	Broadly similar
Changes in inventories	(159)	(329)	CRM stock build up before shutdown in November to align with CAPL commissioning
Purchases of finished, semis & other products	91	143	Import of rebar from NatSteel in Q1 was absent in Q2 and lower purchases at Growth Shop
Raw materials consumed	2,414	2,306	Higher production in FAMD division; increased consumption of imported coal and adverse exchange impact, partly offset by lower consumption of purchased coke
Employee benefits expenses	977	1,003	Reduction in retiral provisions due to increase in discount rates partly offset by normal salary increase
Purchase of power	657	653	Broadly similar
Freight and handling	634	635	Broadly similar
Depreciation and amortisation	551	460	Amortisation of arrear stamp duty on renewal of mining leases for Odisha on a provisional basis – one off
Other expenses	2,369	2,212	Higher consumption of stores & spares, higher repairs, higher royalties on iron ore. Higher conversion charges, royalties and export duty at FAMD due to higher production and deliveries.
Other income	326	144	Dividend income from NatSteel Asia and Tata Motors and gains on cancellation of forward covers
Finance costs	437	466	Waiver of interest on discounting schemes – one off

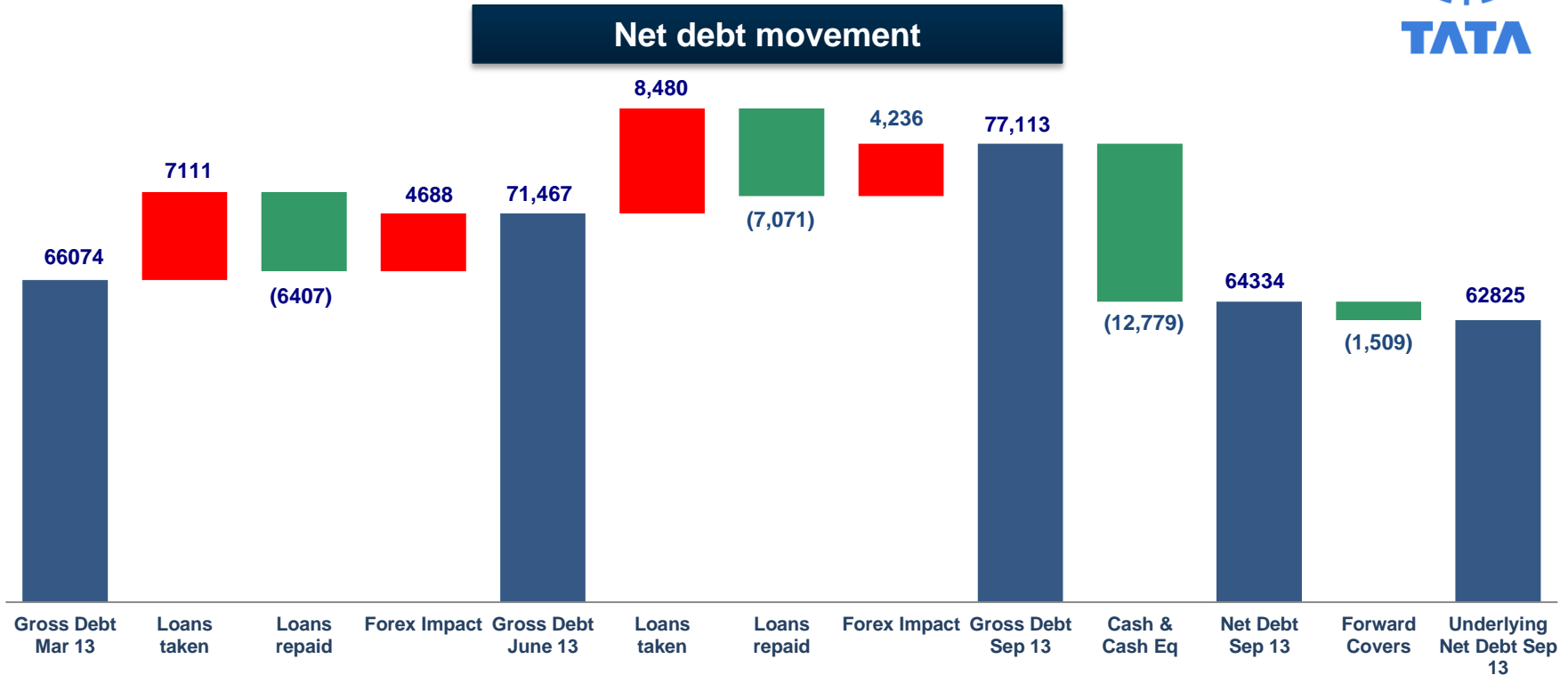
Consolidated Results – QoQ Variations



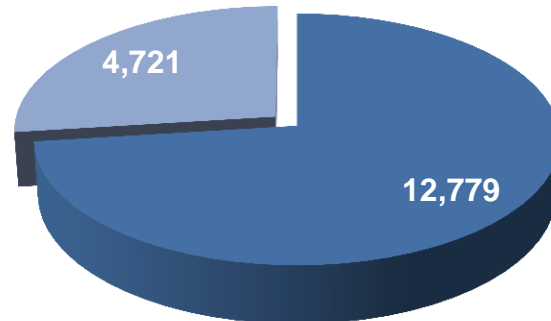
All figures in Rs. Crore **TATA**

Particulars	Q2 FY14	Q1 FY14	Key Reasons
Net sales	36,370	32,550	Higher deliveries in both Tata Steel India, Tata Steel Europe and SE Asia partly compensated by softer realisations
Other operating income	275	255	Broadly similar
Changes in inventories	185	(1,466)	Decrease in inventories at Tata Steel Europe and NatSteel
Purchases of finished, semis & other products	3,776	4,204	Lower purchases at NatSteel and Tata Steel Europe
Raw materials consumed	11,567	10,441	Higher cost in India and increase in Tata Steel Europe due to higher production and adverse exchange impact. Restart of production at TSKZN led to further increase.
Employee benefits expenses	5,171	4,791	Increase in Tata Steel Europe and NatSteel due to exchange rate impact partly offset by decrease in Tata Steel India
Purchase of power	1,572	1,463	Increase in Tata Steel Europe due to exchange impact and increase in Thailand due to higher production
Freight and handling	2,146	1,985	Higher despatches
Depreciation and amortisation	1,444	1,403	Increase at Tata Steel India partly offset by decrease at Tata Steel Europe from release of excess provision
Other expenses	8,524	7,698	Increase in Tata Steel India and increase in Tata Steel Europe due to adverse exchange effect
Other income	203	184	Dividend from Tata Motors
Finance costs	1,067	992	Increase in Tata Steel Europe partly compensated by decrease in Tata Steel India
Tax	447	351	Less tax credit in Tata Steel Europe in Q2 as compared to Q1

Net Debt Movement and Liquidity Position



Liquidity position (Rs. Crore)



- Total liquidity of Rs.17,500 crores plus KPO project finance of Rs.22,800 crores
- Capex incurred in H1 FY14: Rs. 8,393 crores

Pensions Status – European Operations

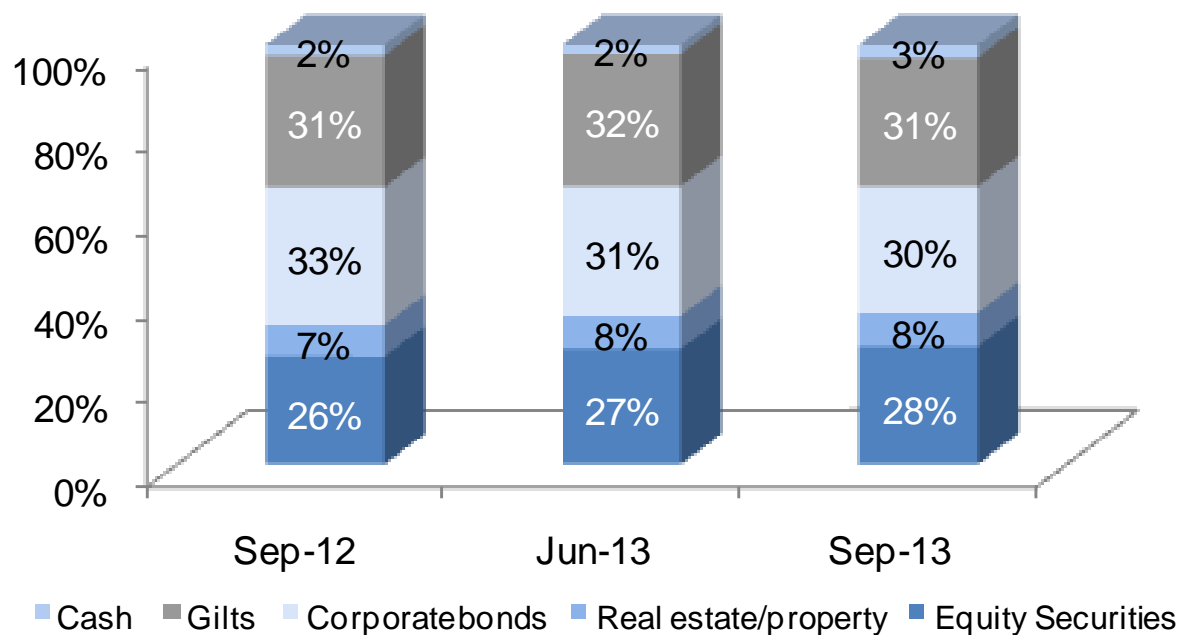


IAS 19 (2008) Valuation

Figures in £ mn

	Sep-12	Jun-13	Sep-13
Total Scheme Retirement Benefit Assets	17,132	18,010	18,096
Total Scheme Retirement Benefit Liabilities	(17,098)	(17,582)	(17,854)
Net Pension Surplus (BSPS & SPH)	34	428	242

Pension Asset Composition – BSPS



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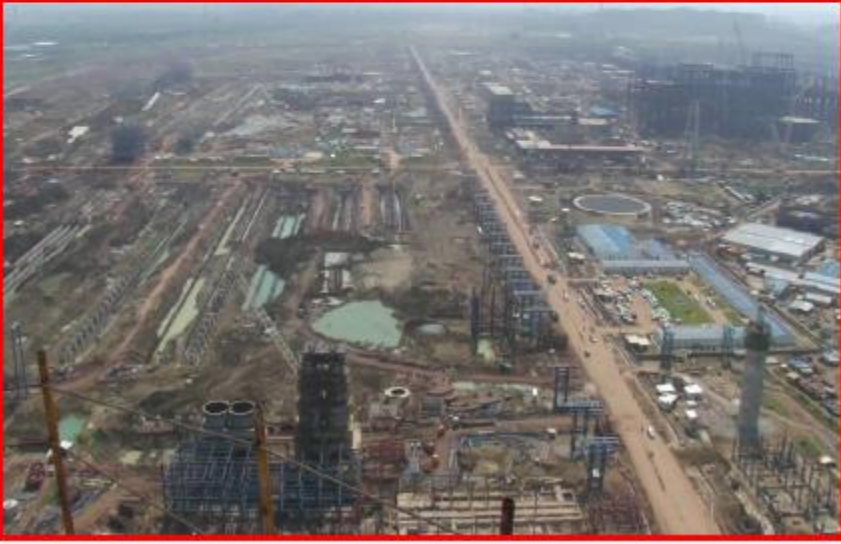
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Key Developments

KPO Project Update



Benga Project, Mozambique

- About 0.5mt of hard coking coal shipped YTD 2013
- Monsoons had disrupted shipments in the first half
 - Coking coal volume of about 800kt is expected in 2013
- Phase II expansion delayed pending more clarity on rail and port capacity enhancements

Direct Shipping Ore Project, Canada

- 1mt of iron ore produced so far. First shipment achieved on 17 September 2013 – shipments of 240kt made till date.
- Key permits, approvals and environmental clearances obtained and construction is underway

India:

- Weak macroeconomic conditions may affect demand from steel consuming sectors
- Rupee depreciation is helping to restore balance in the market
- Long products is undergoing a sixty day planned shutdown from September – overall volume growth will be healthy in FY14

Europe:

- EU steel demand is expected to slowly pick up in Q3 FY14 and to continue to grow as steel using sectors recover
- Quality of product and service will make the difference for our customers. Continued focus on business performance improvements and rigorous cost control

South East Asia:

- Construction outlook remains positive in the region
- Imports from China is putting pressure on the domestic manufacturers



Thank You

Contact Information



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