

February 11, 2014

Results Presentation

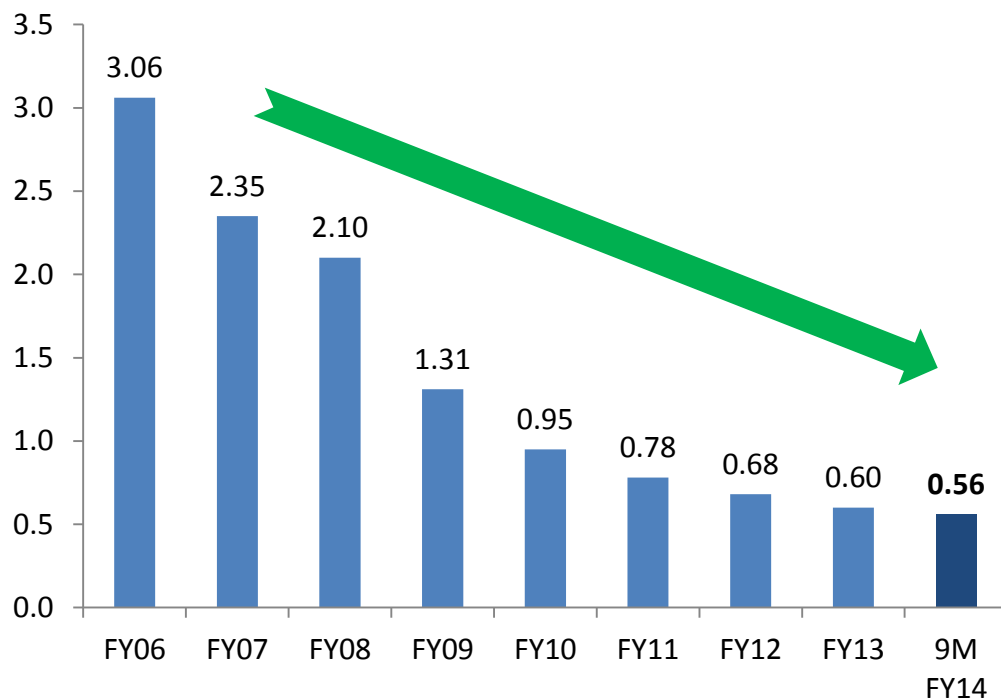
Third Quarter Ended 31st December 2013

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)

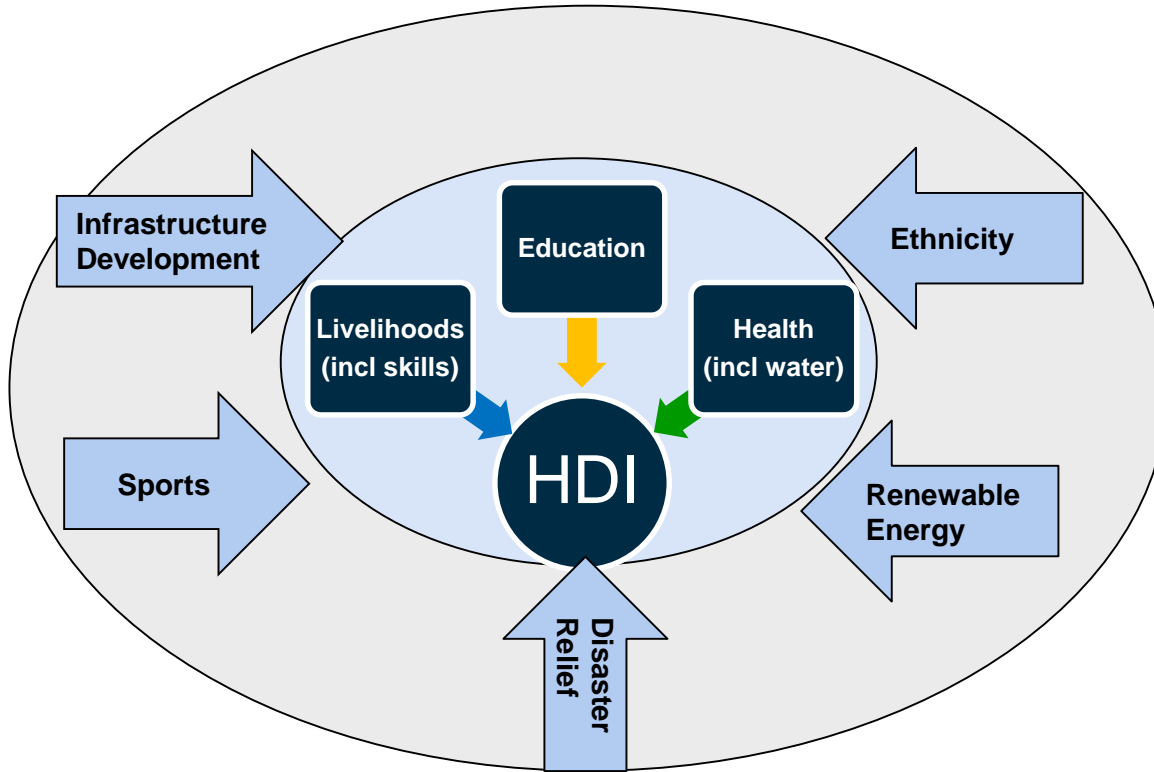


- Reduction continues in lost time injuries with 9 month FY14 performance 8% better than FY13
- The new leadership team has set an ambition to make Tata Steel sustainably fatality free
- Common H&S management system established across Tata Steel and developing senior leadership training in H&S excellence

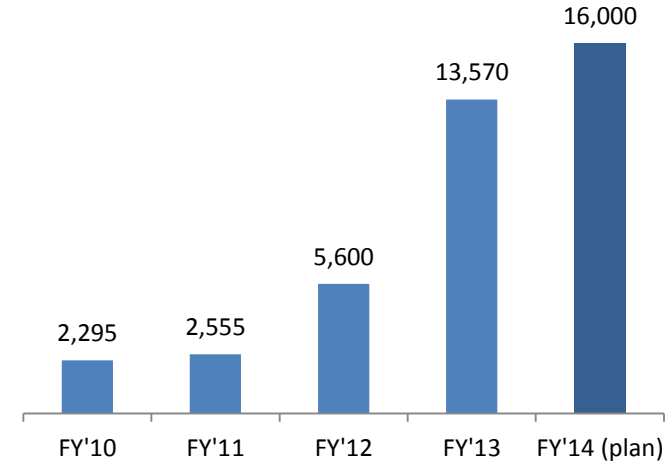
Tata Steel Group continues to focus on engaging with communities and improving quality of life



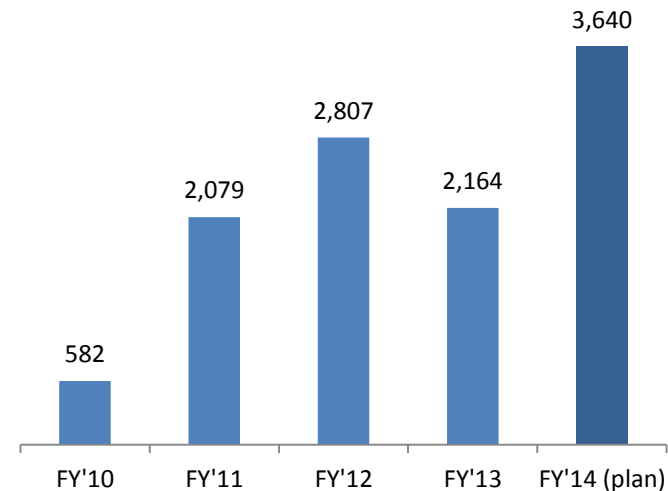
India



No. of adults turned literate



No. of youth skilled



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

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



Europe

- Tata Steel supported the **Richard Burton 10km & Family Fun Run** in South Wales, UK
 - Achieved largest number of runners at 800+
- Tata Steel held its **Industrial Cadets** programme for youngsters in Scunthorpe and Teesside, UK, to raise aspiration and inspire the next generation of steelworkers
- Tata Steel supported an event in IJmuiden to **inspire children to choose engineering** as a career.
 - All local primary schools were invited and some 1,700 children attended
- Tata Steel supported an **education project** at a sculpture park which has links with the IJmuiden steelworks
- A special **Tata Kids of Steel triathlon** in the UK Parliament with children from across the UK and attended by 40 Members of Parliament

Agenda



Consolidated Highlights

Performance of Indian and South East Asian Operations

Performance of European Operations

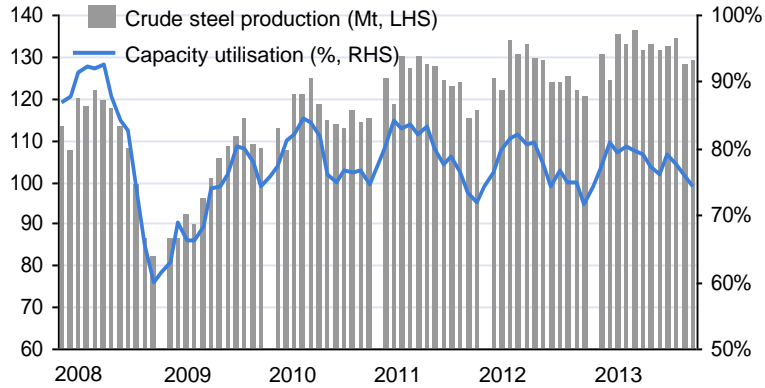
Group Financial Performance

Key Developments

Steel Market Developments



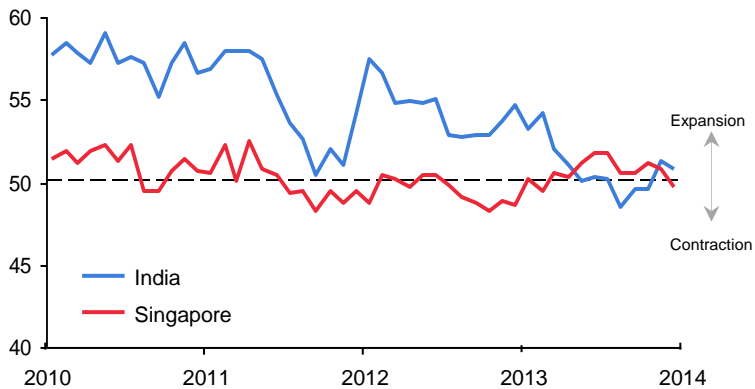
Global crude steel production & capacity utilisation



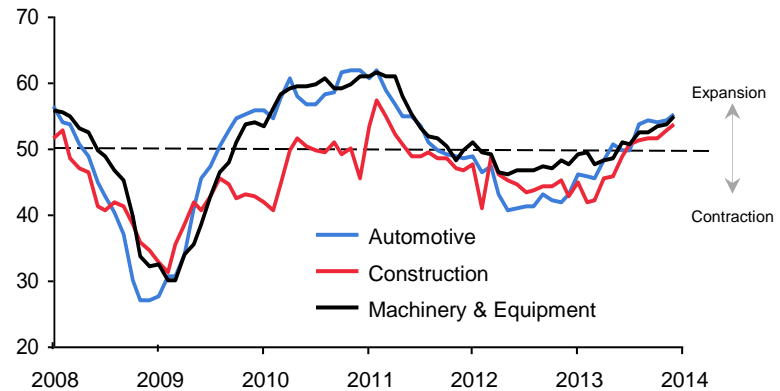
Market Spread* (€/tonne)



PMIs for India and SEA countries



PMIs for main steel using sectors in EU



- EU steel demand expected to grow by 2.1% in 2014 as market conditions improve
- Indian steel demand is expected to grow by 5.6% in 2014 as Asian economies continue to grow albeit at a slower pace

* HRC Spread = Price of 1t of HRC (Germany) - 1.6t of iron ore (Fines, 64% Fe, Brazil contract, SSF, Rotterdam delivered) - 0.7t HCC (Australia quarterly contract, Rotterdam delivered) - 0.1t Scrap (E3, Germany)

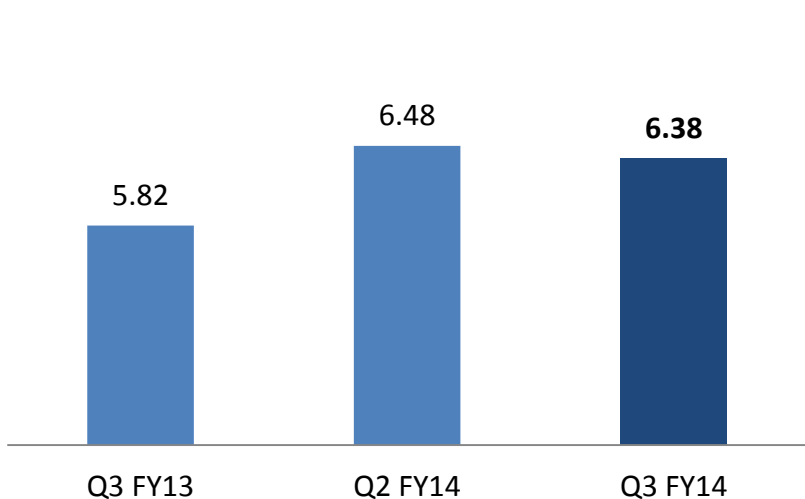
Group Financial Highlights

Third Quarter Ended 31st Dec, 2013



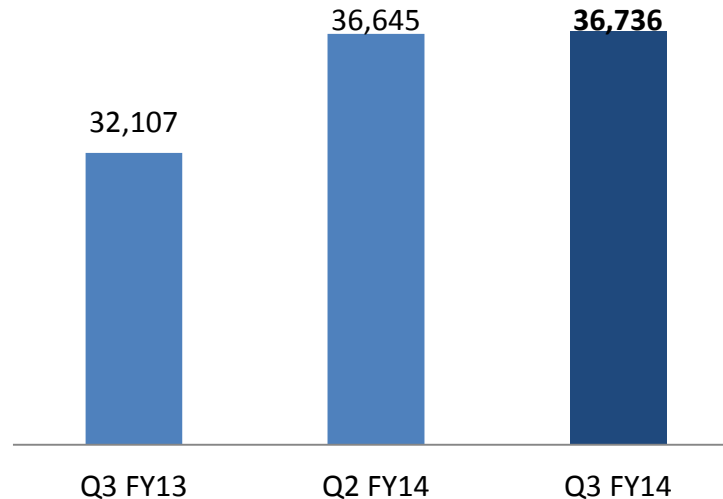
Deliveries

Mn T



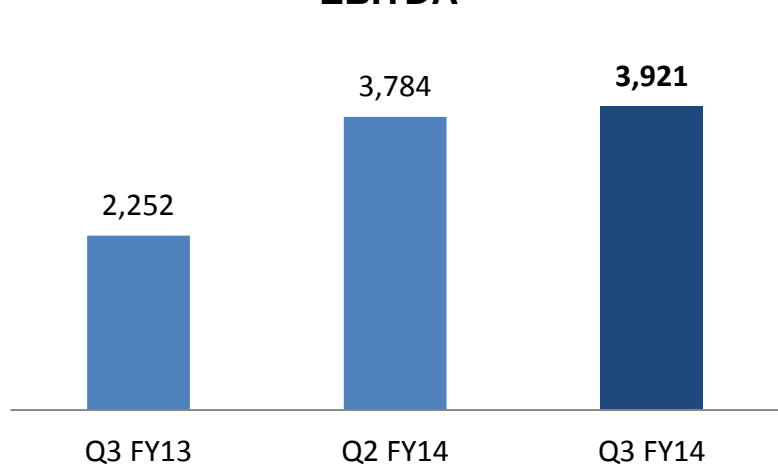
Turnover

Rs. Crore



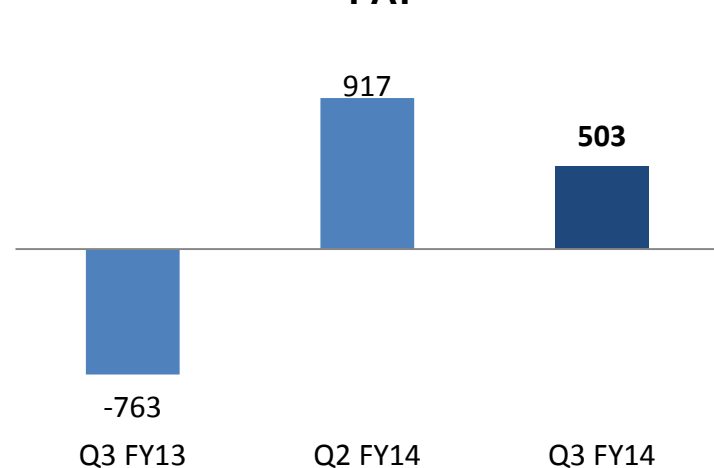
EBITDA

Rs. Crore



PAT

Rs. Crore



Key Drivers

Third Quarter Ended 31st Dec, 2013



India

- Higher deliveries despite weak macroeconomic conditions and lower production
- Sequential improvement in realisations

Europe

- Rigorous approach to costs and cashflow helped maintain q-o-q financial performance
- Continued production improvements following re-established operational base led to best quarterly production for more than five years

South East Asia

- Deliveries improved at NatSteel, driven primarily by Xiamen (China) operations
- Singapore production improved as the EAF and the rolling mills resumed operations post the upgrade

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Group Financial Performance

Key Developments

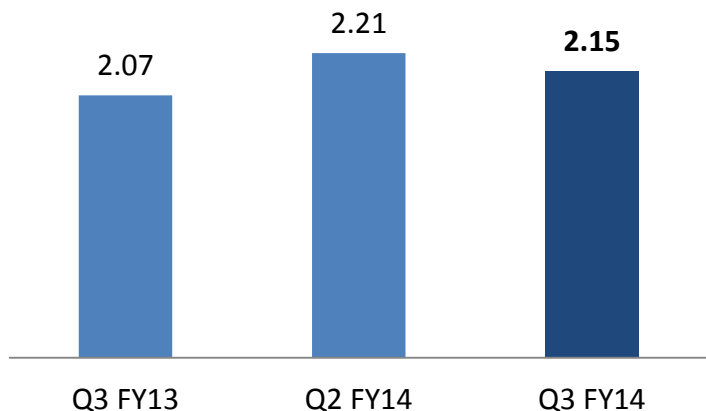
Performance of Tata Steel India

Third Quarter Ended 31st Dec, 2013



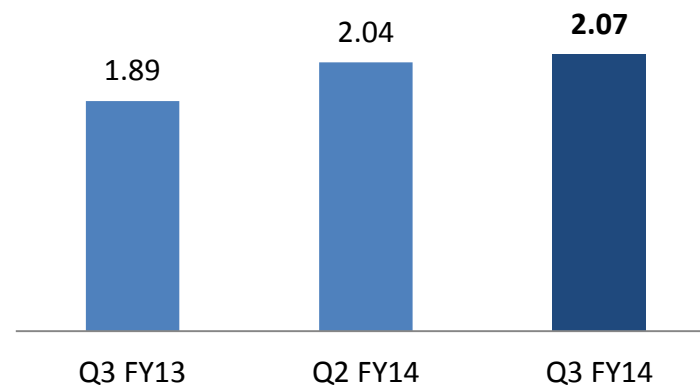
Production

Mn T



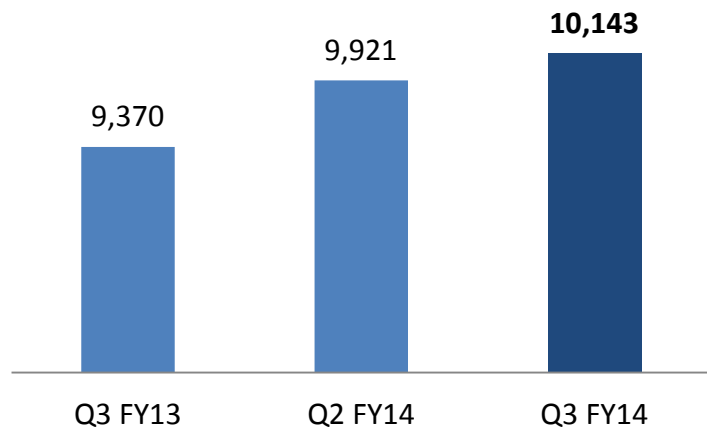
Deliveries

Mn T



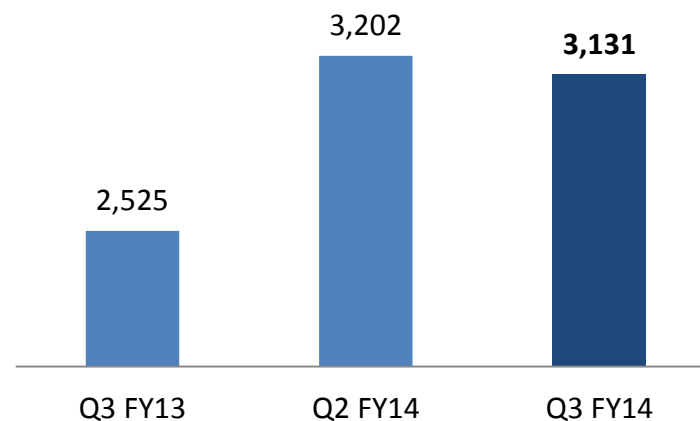
Turnover

Rs. Crore



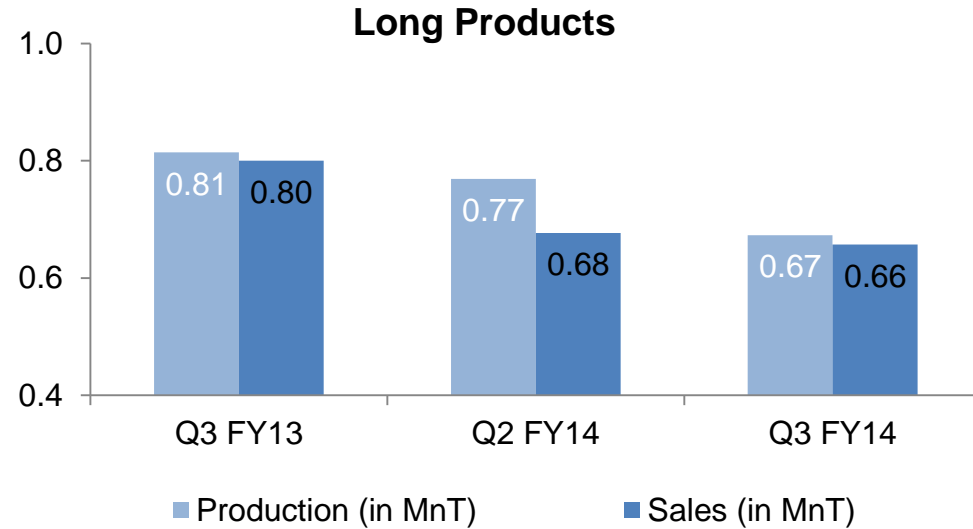
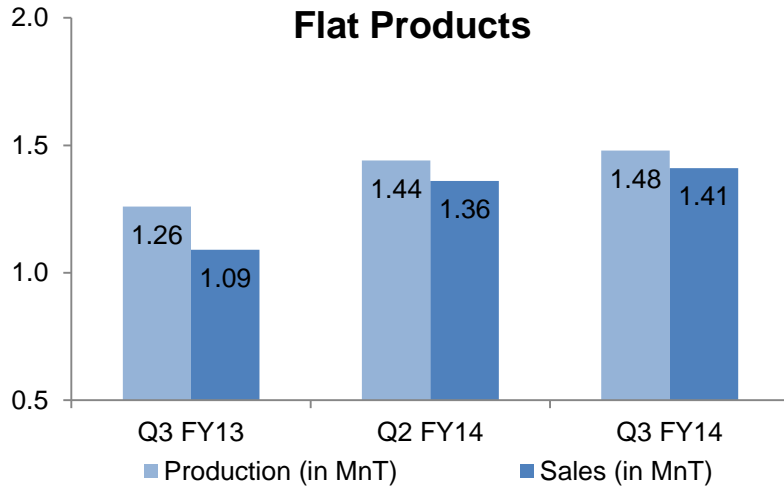
EBITDA

Rs. Crore

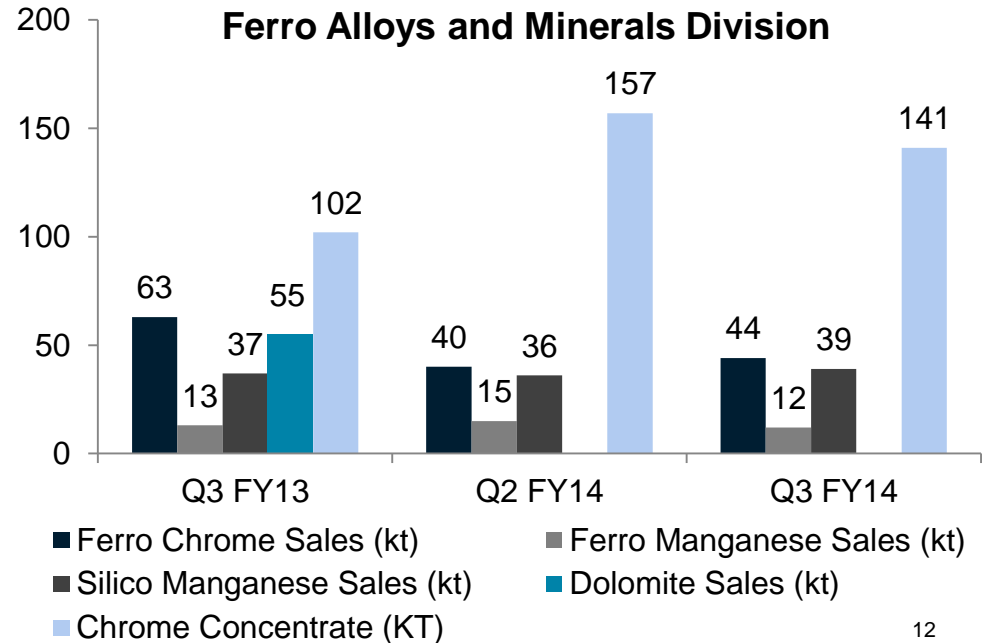


Performance of Tata Steel India

Flats, Longs and FAMD



- Operations affected due to the gas holder fire incident in Nov 2013
- Flat product segment showed a robust growth due to the ramp up of TSCR at Jamshedpur while long product volumes were affected due to the planned shutdown
- Ferro Chrome sales increased in Q3. Silico Manganese sales increased due to ramp up of sales of the TATA SILCOMAG brand. Chrome concentrate sales also remained high.



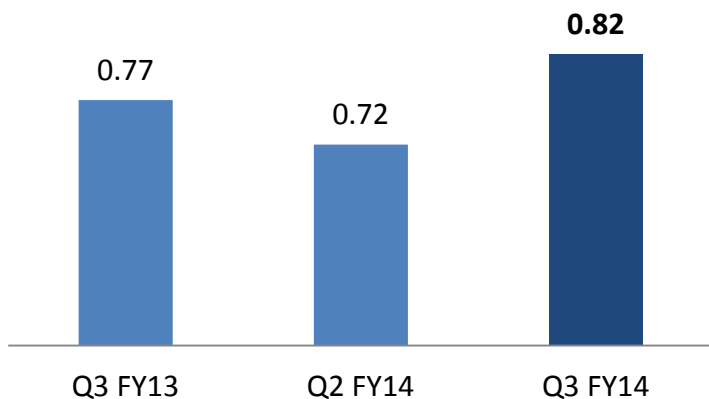
Performance of South East Asia

Third Quarter Ended 31st Dec, 2013



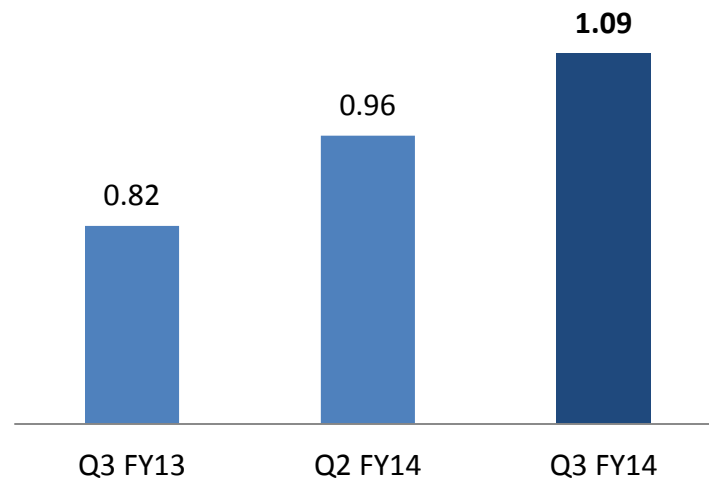
Production

Mn T



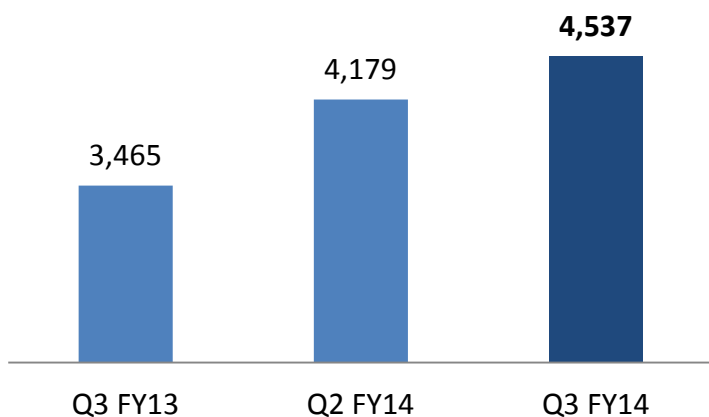
Deliveries

Mn T



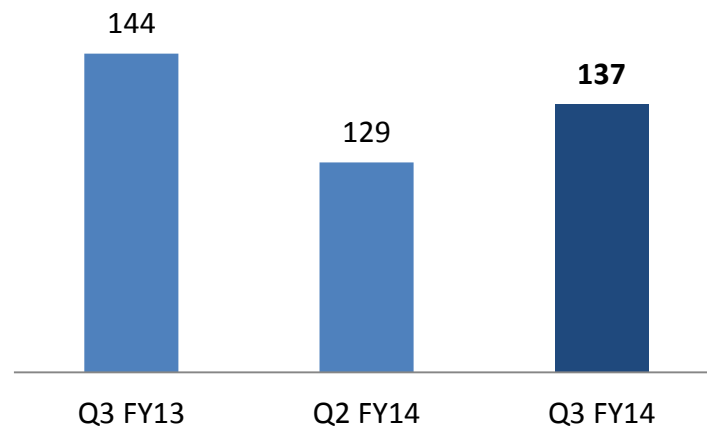
Turnover

Rs. Crore



EBITDA

Rs. Crore



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Performance of Indian and South East Asian Operations

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Group Financial Performance

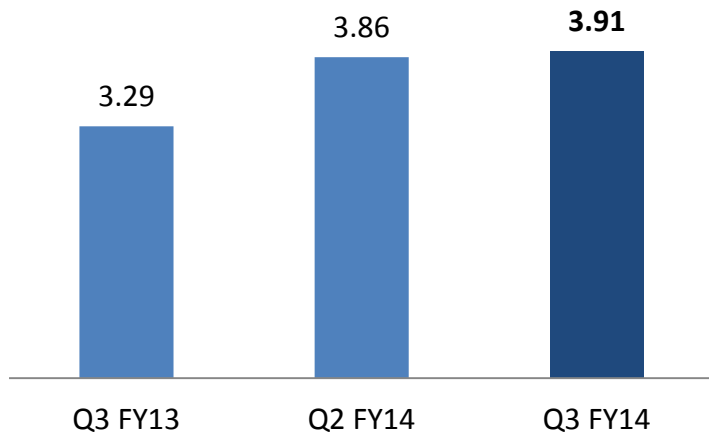
Key Developments

Performance of Tata Steel Europe

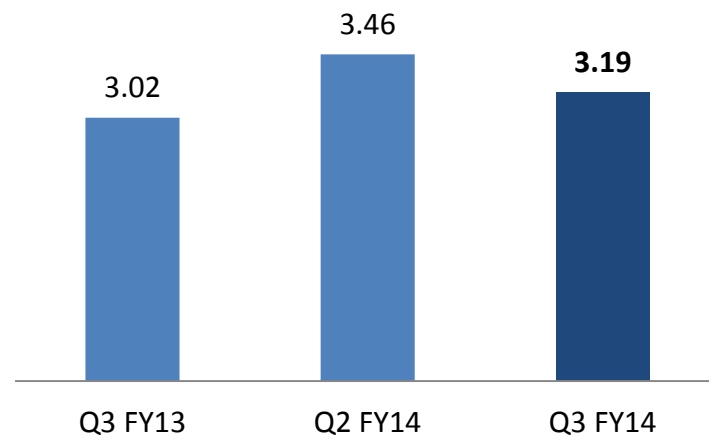
Third Quarter Ended 31st Dec, 2013



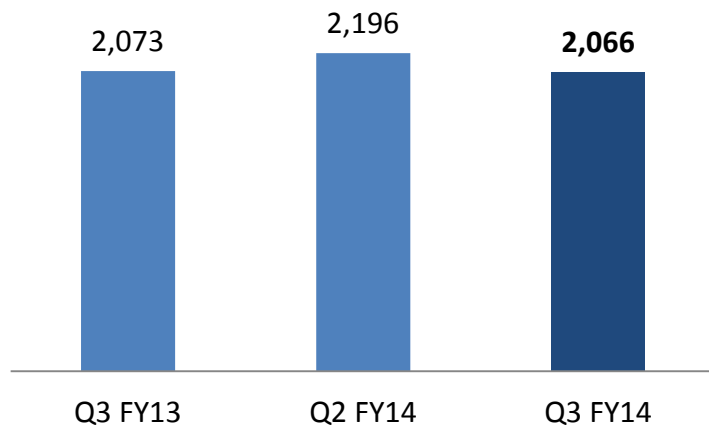
Liquid Steel Production

 Mn T

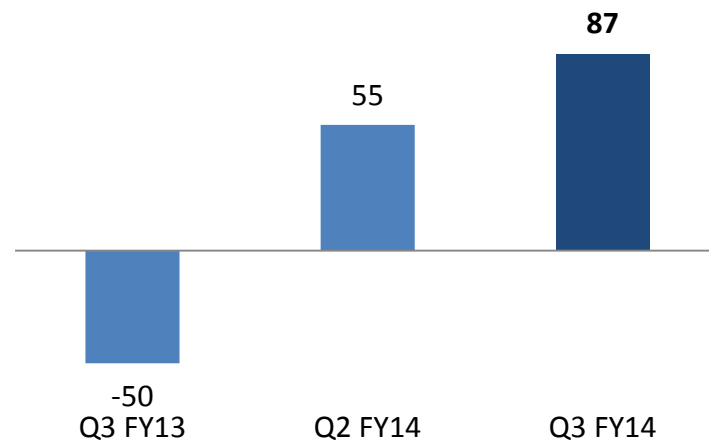
Deliveries

 Mn T

Turnover

 GBP mn

EBITDA

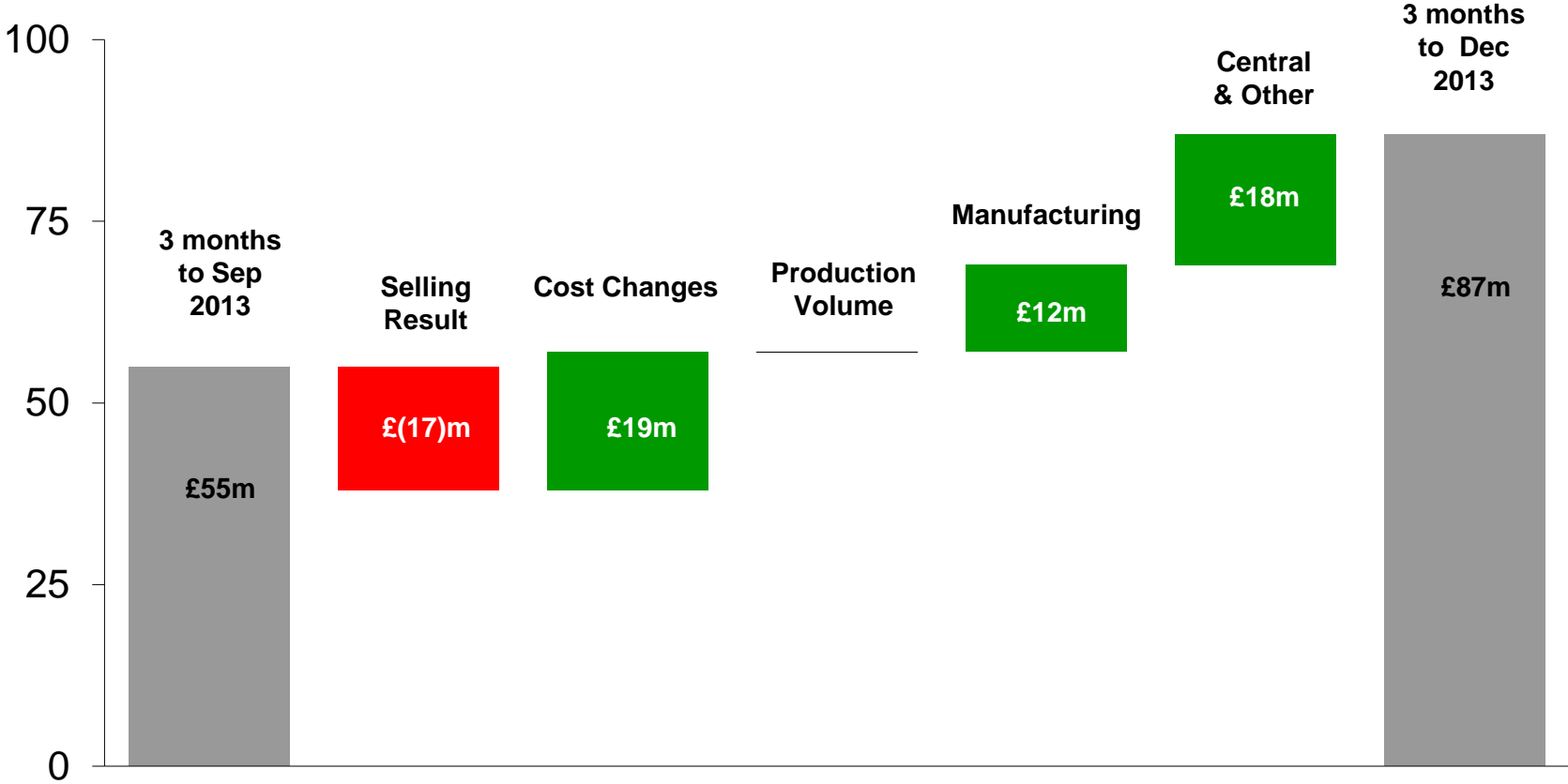
 GBP mn

European operations

EBITDA bridge Q3 FY2014 vs. Q2 FY2014



£ million





Performance improvements continue

- Rigorous approach to costs and stable production rates resulted in improved y/y EBITDA performance, despite lower margins
- Upgraded and stable operational base led to highest quarterly liquid steel production in more than five years
- Enhancements to product and service profile
- Intensifying focus on cost reduction

New and differentiated products

- Launched 21 new products in nine months to December – highest rate since programme started
- Volume of sales of differentiated product sales up 14% (y/y)
- Projects to increase premium steels to customers
- Significant rail contracts, inc. 200kt French rail order

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Consolidated Highlights

Performance of Indian and South East Asian Operations

Performance of European Operations

Group Financial Performance

Key Developments

Group Financial Performance – Q3 FY14



Figures in Rs. Crore unless specified

Figures in Rs. Crore unless specified	Q3 FY14				Q2 FY14	Q3 FY13
	India	Europe	SE Asia	Others	Group	Group
Deliveries (Mn T)	2.07	3.19	1.09	0.02	6.38	5.83
Turnover	10,143	20,709	4,537	1,347	36,736	32,107
Raw Mat consumed	2,215	9,032	89	297	11,633	9,769
EBITDA	3,131	860	137	-207	3,921	2,252
EBITDA/tonne (Rs.)	15,155	2,694	1,252	n.m.	6,149	3,865
EBIT	2,674	-2	73	-346	2,399	789
					Q3 FY14	Q2 FY14
Profit Before Tax					1,395	1,398
Profit After Tax, Minority Interest and Associates' Income *					503	-763

* PAT for Q3 FY13 includes exceptional loss of Rs.20 crores

Standalone Results – QoQ Variations



All figures in Rs. Crore **TATA**

Particulars	Q3 FY14	Q2 FY14	Key Reasons
Net sales	10,040	9,826	Higher volumes and realisations in FP and higher realisation for LP partly compensated by decrease in LP volumes
Other operating income	103	95	Broadly similar
Changes in inventories	36	(159)	Decrease in inventories
Purchases of finished, semis & other products	62	91	Lower purchases at the Growth Shop
Raw materials consumed	2,218	2,414	Lower purchase of coking coal and coke partly due to lower production offset by exchange rate impact
Employee benefits expenses	904	977	Decrease in provisions due to higher discounting rate of 8.25% vs. 8% in the previous quarter
Purchase of power	638	657	Decrease in power consumption for the plant due to lower production and lower purchase for resale; partly offset by increase in power tariff
Freight and handling	717	634	Increase in freight rates
Depreciation and amortisation	456	551	Q2 included cumulative stamp duty amortisation on renewal of mining leases for Odisha on a provisional basis
Other expenses	2,633	2,369	Higher forex losses, higher repairs, and consultancy charges, Uttarakhand relief contribution and one-off sales tax provisions
Other income	265	326	Absence of dividend from Tata Motors included in Q2 and loss on cancellation of forward covers, loss on sale of assets, lower interest
Finance costs	453	437	Interest waiver in Q2 reduced the costs

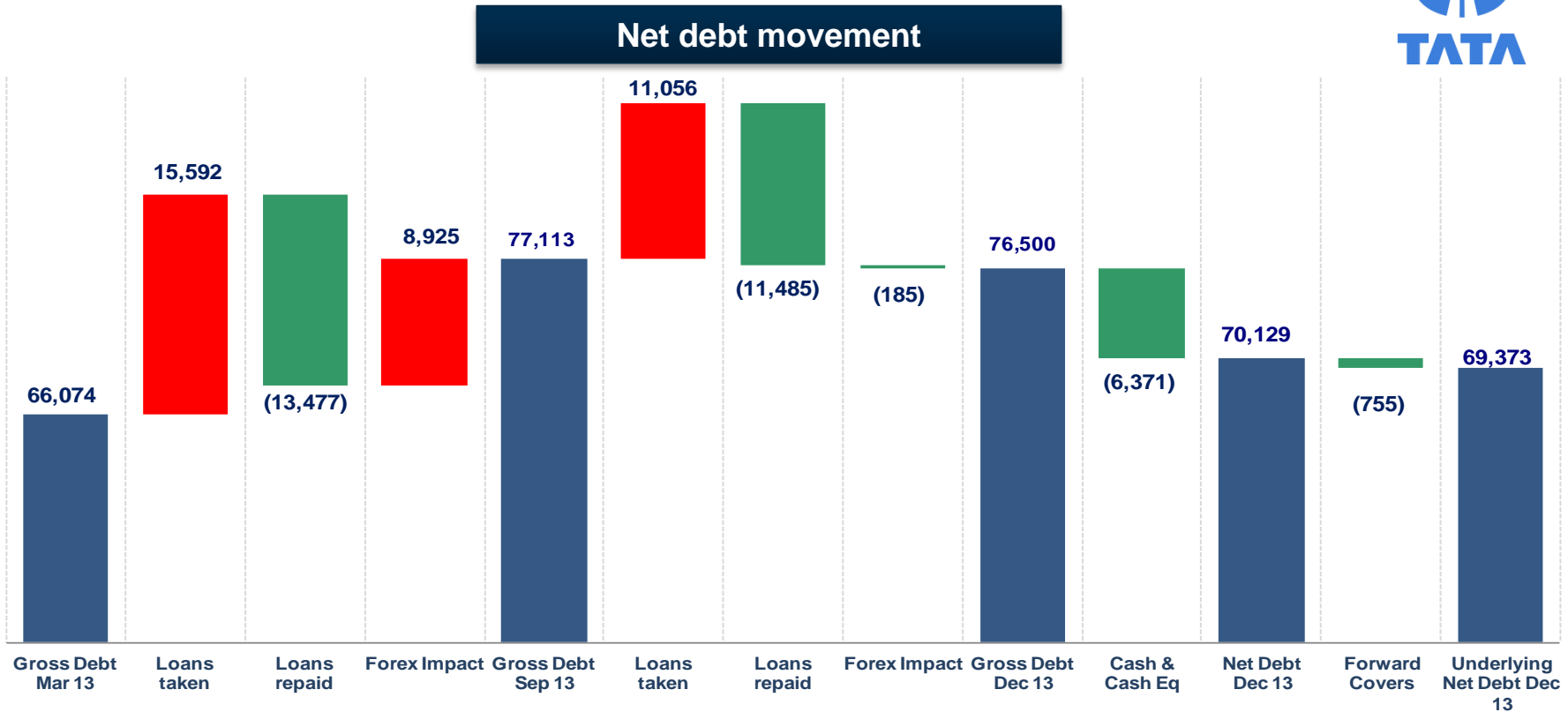
Consolidated Results – QoQ Variations



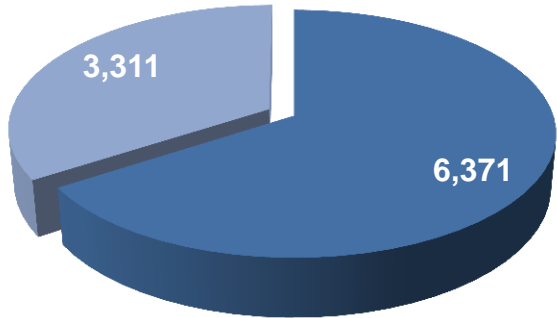
All figures in Rs. Crore

Particulars	Q3 FY14	Q2 FY14	Key Reasons
Net sales	36,410	36,370	Higher deliveries in both Tata Steel India (TSI) and Natsteel alongwith better realisation in most of the regions
Other operating income	326	275	Broadly similar
Changes in inventories	(1,508)	185	Increase in inventories ex-India
Purchases of finished, semis & other products	4790	3,776	Increased mainly in NatSteel due to expansion in China and increase in Tata Steel Europe (TSE) to address specific delivery requirements
Raw materials consumed	11,633	11,567	Increase mostly in TSE due to conversion effect
Employee benefits expenses	4,986	5,171	Decrease in TSI along with overall cost decline in TSE
Purchase of power	1,405	1,572	Decrease in TSI along with decrease in TSE due to recovery of prior period excess charge
Freight and handling	2,233	2,146	Increase in freight rates mostly in TSI
Depreciation and amortisation	1,522	1,444	Increase in TSE as Q2 included an excess provision reversal offset by decrease in TSI
Other expenses	9,191	8,524	Increase in TSE due to exchange effect and higher repairs along with increase in TSI and higher forex losses at subsidiaries
Other income	18	203	Decline mostly in TSI
Finance costs	1,108	1,067	Increase mostly in TSI and other subsidiaries
Tax	895	447	Absence of tax credit in TSE

Net Debt Movement and Liquidity Position



Liquidity position (Rs. Crore)



- Total liquidity of Rs.9,683 crores plus KPO project finance of Rs.22,800 crores
- Capex incurred in 9M FY14: Rs.12,272 crores

Pensions Status – European Operations

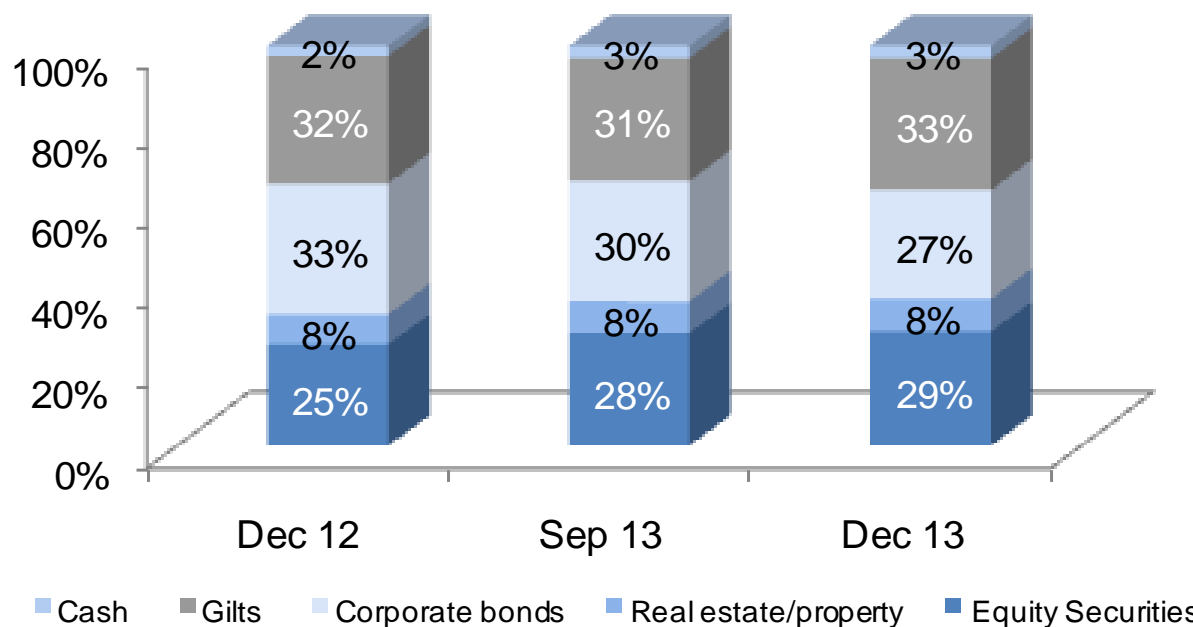


IAS 19 (2008) Valuation

Figures in £ mn

	Dec-12	Sep-13	Dec-13
Total Scheme Retirement Benefit Assets	17,677	18,096	18,157
Total Scheme Retirement Benefit Liabilities	(17,599)	(17,854)	(17,856)
Net Pension Surplus (BSPS &SPH)	78	242	301

Pension Asset Composition – BSPS



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KPO Project Update



Benga Project, Mozambique

- About 0.81mt of hard coking coal shipped in 2013
- Severe monsoons and security issues had disrupted shipments in the first half of 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 in 2013.
- Key permits, approvals and environmental clearances obtained and construction is underway

India:

- Sentiment has improved; though sectors like construction and auto continue to be under pressure
- Rupee depreciation is helping to restore balance in the market

Europe:

- EU steel demand expected to show signs of gradual recovery in Q4 (+3.3%) from a low base and could translate into a recovery in end user sectors in 2014
- 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 sector outlook remains positive in the region
- The political uncertainty still continues in Thailand with no clear solution at sight. However, the business is focussing on customer relationships and service levels to drive performance.



Thank You

Contact Information



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