For immediate use **NEWS RELEASE**

November 12, 2014

Tata Steel reports Consolidated Financial Results for the quarter ended September 30, 2014

Tata Steel Group today declared its Consolidated Financial Results for the first half and second quarter ended September 30, 2014. Performance remained stable as Group Turnover and EBITDA came in at ₹35,777 crores and ₹3,750 crores respectively. Net profit for the quarter was ₹1,254 crores.

Group Performance Highlights:

All figures in ₹ Crore, unless specified

H1 FY'15	H1 FY'14		Q2 FY'15	Q1 FY'15	Q2 FY'14
12.95	12.56	Steel Deliveries (million tons)	**6.50**	6.46	6.48
72,204	69,450	Turnover	**35,777**	36,427	36,645
8,075	7,539	EBITDA	**3,750**	4,325	3,784
2,980	2,847	Depreciation	**1,430**	1,550	1,444
2,485	2,059	Finance Costs	**1,233**	1,252	1,067
3,871	2,892	PBT	**2,447**	1,424	1,398
1,592	2,056	Profit after Taxes, Minority Interest and Share of Associates	**1,254**	337	917
15.48	20.26	Basic and Diluted Earnings per Share (₹)	**12.46**	3.02	8.98

India

The Indian operations reported stable performance despite the weaker monsoon period.

The Pellet Plant, Merchant Mill, New Bar Mill and Cold Rolling Mill (CRM) achieved best ever H1 production.

There was a planned shutdown of one of the vessels in the Long Products division during the quarter which was completed in a record 36 days against the planned 50 days.

Sales of Automotive and Special Products increased by 30% over the last year while deliveries to the high-end segment were up by 38% yoy. Sales of Branded Products, Retail and Solutions segment increased by 7% over the last year while retail sales were up by 14% over the same period.

- Hot metal and crude steel production reached 2.58 million tonnes and 2.27 million tonnes respectively in Q2 FY'15 while saleable steel production increased to 2.2 million tonnes.
- Deliveries in H1 FY'15 increased to 4.21 million tonnes versus 4.04 million tonnes in H1 FY'14. Q2 FY'15 deliveries increased to 2.11 million tonnes versus 2.04 million tonnes in Q2 FY'14.
- Turnover in H1 FY'15 was ₹21,253 crores compared to ₹19,376 crores in H1 FY'14. Q2 FY'15 turnover increased by 9% to ₹10,785 crores from ₹9,921 crores in Q2 FY'14. This improvement was driven by higher volumes and realisations and better product mix.

- H1 FY'15 EBITDA increased to ₹6,462 crores from ₹6,099 crores in H1 FY'14. Q2 FY'15 EBITDA was stable at ₹3,196 crores compared to ₹3,202 crores in Q2 FY'14.
- Profit after tax in H1 FY'15 was ₹4,744 crores compared to ₹2,915 crores in H1 FY'14. Q2 FY'15 profit was ₹2,476 crores compared to ₹1,559 crores in Q2 FY'14. Profits for Q2 FY'15 included exceptional gains of ₹1,147 crores from the sale of land at Borivali.

Europe

The European operations maintained the level of year-on-year improvement in financial performance established in the first quarter. Production and deliveries were higher than in the first quarter, despite extended summer shutdowns.

The shutdowns were used for equipment maintenance and upgrades in support of the company's customer focus strategy. In the most notable upgrade the power drives on a section of the Port Talbot hot strip mill, which rolls sheet steel, were greatly strengthened. The mill now has a stronger platform on which to pursue more differentiated product launches.

Profitability dipped slightly on the back of this necessary work, but progress on enhancing the product portfolio continued apace. The higher proportion of differentiated products in total sales has been maintained and 18 new products have been launched so far this year. These launches are enabling the company increasingly to take leadership positions in key areas of the markets it serves. One example of this is SericaTM, a new premium quality surface finish for car body panels, which will help lower production costs for our customers in the automotive industry.

We will remain focused on meeting growing demand for advanced high-value steels as we combat the twin challenges of sluggish European economic growth and rising imports.

- Liquid steel production in H1 FY'15 was stable at 7.52 million tonnes versus 7.6 million tonnes in H1 FY'14. Q2 FY'15 production was virtually unchanged at 3.82 million tonnes.
- Deliveries in H1 FY'15 also remained stable at 6.55 million tonnes versus 6.6 million tonnes in H1 FY'14. Q2 FY'15 deliveries declined marginally to 3.36 million tonnes from 3.46 million tonnes in Q2 FY'14.
- Turnover in H1 FY'15 increased by 3% to ₹40,942 crores from ₹39,581 crores in H1 FY'14. Q2 FY'15 turnover was ₹20,202 crores compared to ₹21,149 crores in Q2 FY'14.
- H1 FY'15 EBITDA increased by 45% to ₹1,924 crores from ₹1,331 crores in H1 FY'14. Q2 FY'15 EBITDA was also higher at ₹929 crores compared to ₹554 crores in the previous year.
- EBIT in H1 FY'15 improved to ₹249 crores from the loss of ₹140 crores in H1 FY'14. Q2 FY'15 EBIT was ₹113 crores versus the loss of ₹152 crores in Q2 FY'14.

South East Asia

Deliveries increased at NatSteel over the last year while declining in Thailand due to continued political uncertainty. The South East Asian operations were under pressure due to a surge in low priced imports and a decline in the rebar–scrap spread.

- Deliveries in H1 FY'15 increased to 2.03 million tonnes versus 1.82 million tonnes in H1 FY'14. Q2 FY'15 deliveries were stable at 0.95 million tonnes compared to the previous year.
- Turnover in H1 FY'15 declined by 4% to ₹7,755 crores from ₹8,086 crores in H1 FY'14. Turnover in Q2 FY'15 was ₹3,710 crores versus ₹4,179 crores in Q2 FY'14.
- H1 FY'15 EBITDA was a loss of ₹251 crores compared to gains of ₹222 crores in H1 FY'14. EBITDA loss for Q2 FY'15 was ₹281 crores versus the gains of ₹129 crores in Q2 FY'14.

The Group continues to undertake several financial initiatives to strengthen the balance sheet. Non-core assets such as Dhamra Port and land at Borivali were monetised, while the Company has signed a Memorandum of Understanding for the potential sale of the Long Products business in Europe and the associated distribution activities.

The Company has successfully completed the refinancing of the entire ex-India debt of about US$ 7 billion on better terms and pricing. As a result, the liquidity position of the group has improved further and the debt maturity profile has been pushed out.

Moody's upgraded Tata Steel rating during the quarter by one notch from 'Ba3' to 'Ba2'. In addition, Moody's has kept the ratings under Review for Upgrade.

Awards and recognitions

- Tata Steel Ltd. was recognised as "Corporate Citizen of the Year" 2013-14 by the Economic Times Awards for Corporate Excellence.
- Tata Steel became the first steel company in India to receive accreditation from Indian Road Congress (IRC) for the use of processed steel slag in road making.

Mining update

The Company has been operating its mining activities in Odisha and Jharkhand with all statutory clearances such as environmental clearances, forest clearances, consent to operate etc. The Company had also submitted the applications for renewal of its mines well before the expiry of the leases as stipulated under the law.

In Odisha, the State Government of Odisha has issued Express Order under Section 8(3) of the M&M(D&R) Act, 1957 on May 31, 2014 for Joda East Iron Mine, Katamati, Bamebari and Joda West Mines based on which these mines are currently operating and the procedures for the renewal of the lease execution are currently underway. However, the Express Orders for Sukinda Chromite Mine and Khondbond Iron Mine are still pending with the State Government of Odisha. Consequently, the mining operations and the expansion of mining capacity in Khondbond have been suspended since May 2014. Further the suspension of mining operations at Sukinda Chromite Mine has led to stoppage of operations of the company's Ferro Alloys Plants at Bamnipal and the wholly owned subsidiary TS Alloys since first week of August 2014.

In Jharkhand, the applications for the renewal of the mining leases were made much ahead of its renewal date in compliance with law. However, the state government has issued stop mining order in September 2014 following its interpretation of the gazette notification of the Ministry of Mines, Government of India on July 18, 2014. In response to the Company's petition to the Honourable High

Court of Jharkhand, the Government of Jharkhand has informed the Court on November 7, 2014 that it has taken the decision to renew the leases of the Company. The above matter is pending before the High Court of Jharkhand.

Executive Comment

Mr T V Narendran, Managing Director of Tata Steel India and South East Asia, said: "Despite subdued market conditions, Tata Steel registered an all-around growth in H1 with an increase in both, saleable production and deliveries. Our strategy of focusing on the auto segment, particularly the high end segment, and the retail market yielded rich dividends. Our focus on product mix enrichment has resulted in a 22% yoy increase of sales to the automotive segment and a 38% yoy increase in the hi-end segment.

We are hopeful that the stable political climate will trigger a steel-intensive economic revival and we are well positioned to take advantage of any improvement in the steel demand in the country.

We continue to make good progress towards completion of the project execution in KPO. While there are some challenges in securing all the necessary linkages, the same are being addressed in co-operation with the government."

Dr Karl-Ulrich Köhler, MD & CEO of Tata Steel in Europe, said: "Our financial performance again showed how our product portfolio enhancement continues to build on the progress we've made so far. We are on track with our new product launch plans and with our programme to raise the proportion of differentiated products in our sales.

The potential sale of our Long Products Europe business and its associated distribution facilities would enable us to devote greater resources to pursuing our focus on strip steel customers. We will treat affected employees fairly and with respect throughout the due diligence process, and will consult fully with their representatives.

We see headwinds constraining steel demand growth globally. In Europe we are increasingly concerned about the impact of rising imports, particularly from China, on EU steelmakers."

Mr Koushik Chatterjee, Group Executive Director (Finance and Corporate), said: "Despite several challenges in the market and the environment, the Tata Steel Group was able to maintain its profitability levels during the quarter. The Company generated around Rs 4,400 crores of cash flows from operations that was deployed primarily in the ongoing capital expenditure program helping us marginally decrease the net debt levels.

The Company has also significantly de-risked the Balance Sheet with the completion of the refinancing of the international debt portfolio at better than before terms and long tenured repayments.

While the Group across geographical entities continue to focus on internal improvement initiatives, there are several external factors that continues to put challenges to the business especially declining spreads in Europe and South East Asia due to Chinese exports and lower commodity prices and the uncertainty created on the renewal of the mines in India due to various hurdles that has the potential to impact the company if not resolved urgently."

Disclaimer

Statements in this press release describing the Groups' 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 Group's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Group operates, changes in Government regulations, tax laws and other statutes and incidental factors.

For investor enquiries contact:
Samita Shah
Tel: +91 22 6665 7307
email: samita.shah@tatasteel.com

Subhra Kanti Das
Tel: +91 22 6665 0530
email: subhra.das@tatasteel.com

For media enquiries contact:
Kulvin Suri
Tel: +91 657 664 5512/+91 92310 52397
email: kulvinsuri@tatasteel.com

Bob Jones
Tel: +44 207 717 4532
email: bob.jones@tatasteel.com