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May 18, 2012

**Tata Steel reports Consolidated Financial Results  
for the Financial Year ending March 31, 2012**

**Group Performance Highlights:**

- **Tata Steel Group's profit after tax** (after minority interest and share of profit of associates) during the financial year 2011-12 (FY'12) was ₹5,390 crores (US\$1.06 billion) compared to a profit of ₹8,983 crores (US\$1.77 billion) in the financial year 2010-11 (FY'11). The Group's profit after tax for Q4 FY'12 was ₹433 crores (US\$85 million) compared to a loss of ₹603 crores (US\$118 million) in Q3 FY'12 and a profit of ₹4,176 crores (US\$821 million) in Q4 FY'11.
- **Group EBITDA** in FY'12 was ₹13,533 crores (US\$2.66 billion) compared to ₹17,116 crores (US\$3.36 billion) in FY'11. Group EBITDA in Q4 FY'12 was ₹3,419 crores (US\$672 million) compared to ₹2,023 crores (US\$398 million) in Q3 FY'12 and ₹4,782 crores (US\$940 million) in Q4 FY'11.
- **Group consolidated turnover** of ₹1,32,900 crores (US\$26.13 billion) in FY'12 was 11.9% higher than the turnover of ₹1,18,753 crores (US\$23.34 billion) in FY'11. The consolidated turnover of ₹33,999 crores (US\$6.68 billion) in Q4 FY'12 was up by 2.7% from ₹33,103 crores (US\$6.51 billion) in Q3 FY'12 and by 0.5% from ₹33,824 crores (US\$6.65 billion) in Q4 FY'11.
- **The Group's steel deliveries** in FY'12 fell marginally by 1.1% to 24.22 million tonnes compared to 24.50 million tonnes in FY'11. Q4 FY'12 steel deliveries fell by 6.5% to 6.22 million tonnes compared to 6.65 million tonnes in Q4 FY'11, but rose by 6.5% from 5.84 million tonnes in Q3 FY'12.
- **Net debt** at the end of March 2012 increased slightly to ₹47,697 crores (US\$9.38 billion) compared to ₹46,660 crores (US\$9.17 billion) at the end of March 2011.
- Turnover at **Tata Steel India** in FY'12 increased by 15.4% to ₹33,933 crores (US\$6.67 billion) from ₹29,396 crores (US\$5.78 billion) in FY'11. Q4 FY'12 sales of ₹9,479 crores (US\$1.86 billion) were up 13.7% from the ₹8,341 crores (US\$1.64 billion) of Q4 FY'11 and up 13.1% from the ₹8,382 crores (US\$1.65 billion) of Q3 FY'12.

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Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001

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EBITDA in FY'12 at ₹11,559 crores (US\$2.27 billion) was down by 0.6% from ₹11,625 crores (US\$2.29 billion) in FY'11. Q4 FY'12 EBITDA of ₹2,975 crores (US\$585 million) was down 3.3% from the ₹3,076 crores (US\$605 million) of Q4 FY'11, but 13.7% higher than the ₹2,618 crores (US\$515 million) of Q3 FY'12.

- Turnover in **Tata Steel Europe** in FY'12 increased to ₹82,153 crores (US\$16.15 billion) from ₹73,844 crores (US\$14.52 billion) in FY'11. Q4 FY'12 sales were ₹19,923 crores (US\$3.92 billion) compared to ₹21,488 crores (US\$4.22 billion) in Q4 FY'11 and ₹20,535 crores (US\$4.04 billion) in Q3 FY'12. FY'12 sales increased by 3.7% over FY'11 as per Tata Steel Europe's reporting currency.

EBITDA in FY'12 was ₹1,777 crores (US\$349 million) compared to ₹4,691 crores (US\$922 million) in FY'11. Q4 FY'12 EBITDA of ₹146 crores (US\$29 million) was down from the ₹1,557 crores (US\$306 million) of Q4 FY'11, but recovered from the loss of ₹781 crores (US\$153 million) of Q3 FY'12.

- The Board of Directors of the Company has recommended a dividend of ₹12 per equity share for the financial year ended March 2012.

#### Financial Performance Analysis:

#### Consolidated Financial results summary (under Indian GAAP) for the year ending March 31, 2012

All figures in US\$ million, unless specified

FY12	FY11	HIGHLIGHTS	Q4 FY'12	Q4 FY'11	Q3 FY'12
24.22	24.50	Steel Deliveries (Mn tons)	6.22	6.65	5.84
26,125	23,344	Turnover	6,683	6,649	6,507
2,660	3,365	EBITDA	672	940	398
10.2	14.4	EBITDA Margin (%)	10.1	14.1	6.1
888	868	Depreciation	215	229	229
659	692	Net Finance Charges	180	166	163
1,688	2,379	Profit before Taxes (after Exceptional Items)	232	988	(11)
6.5	10.2	PBT Margin (%)	3.5	14.9	(0.2)
1,060	1,766	Profit after Taxes, Minority Interest and Share of Associates	85	821	(118)
4.1	7.6	PAT Margin (%)	1.3	12.3	(1.8)

For the purposes of converting all financial numbers to US\$ for all comparable periods, a US\$/₹ exchange rate of 50.87 has been used throughout this document.

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### **Executive Comment**

Tata Steel Managing Director Mr HM Nerurkar said: "The Indian operations registered robust performance in FY'12 amid growth concerns in the domestic market. The resilience of the Indian operations was maintained due to customer centric programmes, all-round improvement in operations and a focus on enhancing the proportion of value-added products across profit centres. Performance in FY'13 is expected to be boosted by the start-up of the brownfield expansion at Jamshedpur, where trial production has begun. Work on the greenfield project in Odisha is on track. The South East Asian operations are expected to perform better in FY'13, on the back of cost reduction measures, a healthy order book position and product-mix improvements. I extend my appreciation to employees for their singular contribution in making this year a success against heavy odds."

Tata Steel Europe MD & CEO Dr Karl-Ulrich Köhler said: "The continuing eurozone crisis kept EU steel demand well below pre-crisis levels in the March quarter. In addition, operational difficulties that affected strip product output caused the European operations to perform worse than in the year-earlier period. But there was an improvement in performance over the third quarter, when the cost-price squeeze caused by high raw materials volatility was at its most extreme. The realisation of benefits from cost saving and management improvement programmes contributed to this better performance. The Company also met the first-year delivery targets on its Long Products restructuring by the end of March. Renewed investment and improvement initiatives in the Strip Products businesses will begin to bring further benefits as this financial year progresses."

### **Financing Developments:**

- a) Tata Steel deleveraged its Balance Sheet by taking the following steps in FY'12:
  - i. Prepayment of ₹1,000 crores (US\$ 197 million) in respect of a Rupee Term Loan in September 2011.
  - ii. Prepayment of US\$200 million of a US\$500 million JPY ECB Loan facility in March 2012.
  - iii. Prepayment of ₹1,500 crores (US\$ 295 million) of syndicated Rupee term loan facilities raised for the 2.9 mtpa expansion in March 2012.
- b) A new Unsecured Rupee Term Loan facility of ₹2,000 crores (US\$ 393 million) with a tenor of 5 years was tied up in March 2012, of which ₹500 crores (US\$ 98 million) was drawn down by the close of FY'12.

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### **Corporate Developments:**

The Siam Industrial Wire Co Ltd (SIW), an indirect wholly-owned subsidiary of Tata Steel Limited (TSL), and Nichia Steel Works Ltd (NSW) of Japan, an affiliate of Nippon Steel Corporation (NSC), signed a Joint Venture Agreement on April 5, 2012 to set up a facility to produce 36ktpa of galvanised wire at Rayong, Thailand. SIW will hold 60% and NSW 40% of the equity capital of the Joint Venture Company. The project will be set up at a capital cost of approximately THB 700 million (US\$23 million) and is expected to come on stream in 2013.

### **Disclaimer**

Statements in this press release 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.

*For investor enquiries contact:*

**Praveen Sood**

Tel: + 91 22 6665 7306

e-mail: p.sood@tatasteel.com

**Subhra Kanti Das**

Tel: + 91 22 6665 7382

e-mail: subhra.das@tatasteel.com

*For media enquiries contact:*

**Bob Jones**

Tel: + 44 207 717 4532

e-mail: bob.jones@tatasteel.com

**Prabhat Sharma**

Tel: + 91 657 242 5216

e-mail: prabhat.sharma@tatasteel.com

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