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PRESS RELEASE

November 12, 2010

Q2 performance confirms strength of recovery at Tata Steel

Tata Steel Limited today declared Consolidated Financial Results for the first half and second quarter ending September 30, 2010.

Group Performance Highlights:

- **Tata Steel Group** during the first half of the financial year 2010-11 (H1 FY'11) recorded **Profit after tax** (after minority interest and share of profit of associates) of ₹3,804 crores (US\$847 million) compared to a Loss of ₹4,916 crores (US\$1.09 billion) in H1 FY'10, an improvement of ₹8,720 crores (US\$1.94 billion). The Group's Profit after tax for Q2 FY'11 at ₹1,979 crores (US\$440 million) was around 8.5% higher than the profit of ₹1,825 crores (US\$406 million) in Q1 FY'11.
- **Group EBITDA** in H1 FY'11 was ₹9,024 crores (US\$2 billion) compared to ₹606 crores (US\$135 million) in H1 FY'10. Group EBITDA in Q2 FY'11 at ₹4,497 crores (US\$1 billion) matched the level recorded in Q1 FY'11, despite steel prices falling in India and higher raw materials prices affecting the financial performance of both the Indian and European operations.
- **Group consolidated turnover** at ₹28,646 crores (US\$6.4 billion) in Q2 FY'11 rose by ₹1,453 crores (US\$323 million), or 5%, compared with Q1 FY'11 on increased deliveries in India and price improvements in other geographies.
- **The Group's steel deliveries** fell 1% to 5.82 million tonnes in Q2 FY'11 from Q1 FY'11. Lower deliveries at the European operations during the summer months were largely made up by higher deliveries from Tata Steel India and Tata Steel Thailand.
- **Net Finance Charges for the Group** at ₹664 crores (US\$148 million) during the September quarter increased by US\$15 million over Q1 FY'11 on account of lower interest income earned.
- **Liquidity and Net Debt:** The Group continued to enjoy a strong liquidity position of ₹7,841 crores (US\$1.74 billion) at the end of September 2010, resulting from tight working capital management across all geographies. The Group's net debt at the end of September 2010 stood at ₹48,096 crores (US\$10.7 billion).

TATA STEEL LIMITED

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PRESS RELEASE**1. Financial Performance Analysis:****Consolidated Financial results summary (under Indian GAAP) for the six months ended September 2010**

All figures in US\$ million, unless specified

H1 FY11	H1 FY10	HIGHLIGHTS	Q2 FY11	Q2 FY10	Q1 FY11
11.72	11.28	Steel Deliveries (million tons)	5.82	6.05	5.90
12,427	10,835	Turnover	6,375	5,652	6,052
2,008	135	EBITDA	1,001	90	1,007
16.2	1.2	EBITDA Margin (%)	15.7	1.6	16.6
472	499	Depreciation	240	257	232
281	356	Net Finance Charges	148	160	133
1,225	(981)	PBT	604	(532)	621
9.9	(9.1)	PBT Margin (%)	9.5	(9.4)	10.3
847	(1,094)	Profit after Taxes, Minority Interest and Share of Associates	440	(602)	406
6.8	(10.1)	PAT Margin (%)	6.9	(10.7)	6.7

For the purposes of converting all financial numbers to US\$ for all comparable periods, a US\$/₹ exchange rate of 44.935 has been used throughout this document.

Notes:

1. The actuarial gains and losses on funds for employee benefits (pension plans) of Tata Steel Europe Limited for the period from April 1, 2008 have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with IFRS principles and as permitted by Accounting Standard 21. Had the Company recognised changes in actuarial valuations of the pension plans of Tata Steel Europe in the profit and loss account, the consolidated profit after taxes, minority interest and share of profit of associates for the six months ended September 30, 2010 would have been lower by ₹960.39 crores (₹265.83 crores for the quarter) and the consolidated loss after taxes, minority interest and share of profit of associates for the six months ended September 30, 2009 would have been higher by ₹2,282.54 crores (₹135.44 crores for the quarter September 30, 2009).
2. NatSteel Holdings Pte. Ltd, a subsidiary of the Company, has divested its stake in Southern Steel Berhad, Malaysia at a total consideration of RM232.42 million (equivalent to US\$72 million).
3. Figures for the previous period have been regrouped and reclassified to conform to the classification of the current period, wherever necessary.
4. The consolidated financial results have been subjected to limited review and the stand-alone financial results have been audited by the statutory auditors.
5. The above results have been reviewed by the Audit Committee in its meeting held on November 11, 2010 and were approved by the Board of Directors in its meeting of date.

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Executive Comment

Tata Steel Managing Director, Mr HM Nerurkar, said: "We registered strong sales in India in the second quarter, aided by growing strength in industrial activity and intensifying demand from the infrastructure, construction and auto sectors. While we are confident of a fairly strong performance this financial year, we are focusing on the introduction of higher value-added products to our existing product range in order to ensure we retain market leadership in future. Meanwhile, the 3 million tonne brownfield expansion at Jamshedpur is progressing as planned."

Tata Steel Europe MD & CEO, Dr Karl-Ulrich Köhler, said: "The profitability of this first half, in Europe, is a tribute to the cost and restructuring measures implemented in response to the financial crisis and our discipline in securing these benefits as demand returns to the market. In September our lenders showed their confidence in the Group's future prospects by agreeing to a refinancing package to stabilise our debt arrangements. We now have a sound platform on which to strengthen our recovery and to develop our product and service differentiation initiatives. But, with an uncertain demand outlook in Europe, our operations also remain focused on cost control and stable manufacturing."

Tata Steel Group

Group sales of ₹55,840 crores (US\$12.43 billion) in the first half were 15% up from the ₹48,687 crores (US\$10.84 billion) in H1 FY'10. Q2 sales of ₹28,646 crores (US\$6.4 billion) were 13% up from the ₹25,395 crores (US\$5.7 billion) of Q2 FY'10 and 5% up from the ₹27,194 crores (US\$6.05 billion) of Q1 FY'11.

The Group posted an EBITDA of ₹9,024 crores (US\$2 billion) in the first half, almost 15 times higher than the ₹606 crores (US\$135 million) in H1 FY'10. Q2 EBITDA of ₹4,497 crores (US\$1 billion) was almost 11 times higher than the ₹402 crores (US\$90 million) of Q2 FY'10 and 1% down from the ₹4,527 crores (US\$1.01 billion) of Q1 FY'11.

There was a 20% improvement in the Group's Health & Safety performance in H1 FY'11 over H1 FY'10, though at 0.88 in Q2 FY'11 the Group's Lost Time Injury Frequency rate slipped from the exceptional performance in Q1 (0.65). The H&S performance remains well ahead of the industry average, but work will continue to realise the Group's zero harm ambition.

India

Turnover at Tata Steel India of ₹13,658 crores (US\$3.04 billion) in the first half was 21% up from the ₹11,308 crores (US\$2.52 billion) in H1 FY'10. Q2 sales of ₹7,107 crores (US\$1.58 billion) were 25% up from the ₹5,692 crores (US\$1.27 billion) of Q2 FY'10 and 8% up from the ₹6,551 crores (US\$1.46 billion) of Q1 FY'11.

Tata Steel India posted an EBITDA of ₹6,327 crores (US\$1.41 billion) in the first half, 67% up from the ₹3,787 crores (US\$843 million) in H1 FY'10. Q2 EBITDA of ₹3,362 crores (US\$748 million) was 68% up from the ₹1,998 crores (US\$445 million) of Q2 FY'10 and 13% up from the ₹2,965 crores (US\$660 million) of Q1 FY'11.

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Saleable steel production for H1 FY'11 was up by 5% to 3.20 million tonnes compared to H1 FY'10 and up by 6% to 1.61 million tonnes in Q2 FY'11 compared to Q2 FY'10 (up by 1% compared to Q1 FY'11). Sales volume in H1 FY'11 was up by 7% to 3.06 million tonnes compared to H1 FY'10 and by 14% to 1.66 million tonnes in Q2 FY'11 compared to Q2 FY'10 (up 19% from Q1 FY'11).

Tata Steel India posted robust EBITDA of ₹3,362 crores (US\$748 million) in the second quarter on account of higher deliveries and savings achieved on the back of the Company's continuous improvement initiatives. The underlying EBITDA margin of 38.4%, excluding the ₹627 crores (US\$140 million) profit from sales of investments during the quarter, is amongst the highest margins reported in the steel sector globally. Net realisations fell quarter-on-quarter because of softer sales prices caused by increased imports from China. Employee costs rose by ₹106 crores (US\$24 million) due to a one-time charge arising out of a change in actuarial assumptions concerning employee benefits.

The Ferro Alloys and Minerals Division posted an operating profit of ₹201 crores (US\$45 million) in Q2 FY'11, much the same as the ₹204 crore (US\$45 million) in Q1 FY'11. The Q2 figure was 175% higher than the ₹73 crores (US\$16 million) posted in Q2 FY'10, driven by improved demand and higher exports.

Europe

Turnover at Tata Steel Europe Limited of ₹36,098 crores (US\$8 billion) in the first half was 13% up from the ₹31,996 crores (US\$7.12 billion) in H1 FY'10. Q2 turnover of ₹18,387 crores (US\$4.09 billion) was 10% up from the ₹16,768 crores (US\$3.7 billion) of Q2 FY'10 and 4% up from the ₹17,711 crores (US\$3.9 billion) of Q1 FY'11.

Tata Steel Europe Limited posted an EBITDA of ₹2,249 crores (US\$501 million) in the first half, an increase of ₹5,903 crores (US\$1.3 billion) from the EBITDA loss of ₹3,654 crores (US\$813 million) in H1 FY'10. Q2 EBITDA of ₹886 crores (US\$197 million) rose by ₹2,688 crores (US\$598 million) from the EBITDA loss of ₹1,802 crores (US\$401 million) of Q2 FY'10 and was 35% down from the ₹1,363 crores (US\$303 million) of Q1 FY'11.

Liquid steel production for H1 FY'11 was up by 8% to 7.35 million tonnes compared to H1 FY'10 and down by 9% to 3.61 million tonnes in Q2 FY'11 compared to Q2 FY'10 (down by 3% from Q1 FY'11). Deliveries for H1 FY'11 were up by 4% to 7.24 million tonnes compared to H1 FY'10 and down by 8% to 3.53 million tonnes in Q2 FY'11 compared to Q2 FY'10 (down by 5% from Q1 FY'11).

Tata Steel recorded profits in Europe throughout the first half, despite weaker market conditions during the summer months. This profitability reflects the benefits of the cost saving and restructuring measures that were implemented during the financial crisis. A focus on costs will remain as the economies of Europe continue their slow recovery in order to ensure these benefits are sustained in the event of weakness continuing or recurring in European steel markets.

The European operations adopted the Tata Steel name in September, moving away from the Corus brand that had been in existence since 1999. The transition will be effected gradually over a period of months in order to minimise disruption and cost to operations.

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Dr Karl-Ulrich Köhler became CEO & MD of Tata Steel Europe Limited on October 1. Work is progressing in a phased manner on introducing the new operating model, reinforcing the customer focus and integrity of the European operations. Also, consultations were completed at the end of October on the remaining two new manufacturing hubs, Strip UK based around Port Talbot and Llanwern, and Strip Mainland Europe based at IJmuiden.

During the half, the Tata Steel Board approved a £185 million investment to rebuild the No. 4 blast furnace at Port Talbot in 2012 in recognition of the turnaround at the plant, where cost savings of £200 million have been realised. The Speciality Steels business in the UK also consolidated its return to profitability in H1 FY'11. The business has shown the benefits of a strategy that focuses on exceptional high-value products and sectors. The proportion of high-value sales in the Speciality Steels portfolio has risen from 50% to 90%.

South East Asia

NatSteel Holdings

Turnover at NatSteel Holdings of ₹3,443 crores (US\$766 million) in the first half was 10% up from the ₹3,134 crores (US\$698 million) in H1 FY'10. Q2 turnover of ₹1,701 crores (US\$379 million) was 3% down from the ₹1,761 crores (US\$392 million) of Q2 FY'10 and 2% down from the ₹1,742 crores (US\$388 million) of Q1 FY'11.

NatSteel Holdings posted an EBITDA of ₹210 crores (US\$47 million) in the first half, 59% up from ₹132 crores (US\$29 million) in H1 FY'10. Q2 EBITDA of ₹116 crores (US\$26 million) was 32% up from the ₹88 crores (US\$20 million) of Q2 FY'10 and 24% up from the ₹94 crores (US\$21 million) of Q1 FY'11.

Finished steel production for H1 FY'11 was down by 1% to 0.78 million tonnes compared to H1 FY'10 and down by 1% to 0.41 million tonnes in Q2 FY'11 compared to Q2 FY'10 (up by 12% compared to Q1 FY'11). Deliveries for H1 FY'11 were down by 0.4% to 0.91 million tonnes compared to H1 FY'10 and down by 9% to 0.46 million tonnes in Q2 FY'11 compared to Q2 FY'10 (down by 0.4% compared to Q1 FY'11).

Tata Steel Thailand

Turnover at Tata Steel Thailand of ₹1,860 crores (US\$414 million) in the first half was 28% up from the ₹1,454 crores (US\$324 million) in H1 FY'10. Q2 turnover of ₹988 crores (US\$220 million) was 21% up from the ₹817 crores (US\$182 million) of Q2 FY'10 and 13% up from the ₹872 crores (US\$194 million) of Q1 FY'11.

Tata Steel Thailand posted an EBITDA of ₹70 crores (US\$15 million) in the first half, 19% down from ₹86 crores (US\$19 million) in H1 FY'10. Q2 EBITDA of ₹14 crores (US\$3 million) was 83% down from the ₹82 crores (US\$18 million) of Q2 FY'10 and 75% down from the ₹56 crores (US\$12 million) of Q1 FY'11.

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Finished steel production for H1 FY'11 was up by 10% to 0.62 million tonnes compared to H1 FY'10 and up by 4% to 0.32 million tonnes in Q2 FY'11 compared to Q2 FY'10 (up by 5% compared to Q1 FY'11).

Deliveries for H1 FY'11 were up by 12% to 0.63 million tonnes compared to H1 FY'10 and up by 11% to 0.33 million tonnes in Q2 FY'11 compared to Q2 FY'10 (up by 12% compared to Q1 FY'11).

2. Financing Developments:

Raising of additional capital: The Board of Directors at its meeting held today has decided to seek the approval of the shareholders of the Company by means of a postal ballot to raise additional long-term resources through an issue of securities, including ordinary shares, equity shares with differential voting rights, GDRs, debentures, foreign currency bonds, etc. up to ₹7,000 crores.

Refinancing of senior debt in Tata Steel Europe: On September 29 Tata Steel UK Holdings Limited (formerly Tata Steel UK Limited) signed a Senior Facilities Agreement (SFA) with a syndicate of 13 banks. This replaced in full the £3.53 billion term loan and revolving credit facilities entered into during the Corus Group acquisition in 2007. The new financing structure is in two parts: a 5-year loan of €2.2 billion and a 7-year loan of €0.9 billion and US\$0.4 billion. The revolving credit facilities for working capital purposes were increased to £690 million and will have a tenor of 5 years. On October 7 the older facility was repaid in full from the proceeds of the new facility. Security was released by the older lenders and granted in favour of the new lenders. In accordance with Tata Steel's foreign exchange risk management strategy, the entire term debt is to be retained in Euros. The new facilities are significantly more flexible than the older agreements, enjoying substantially reduced amortisations over the next four years, lighter financial covenants, and the ability to raise additional working capital and term debt from capital markets to repay the SFA debt.

Credit Ratings: S&P reaffirmed Tata Steel Limited's corporate credit rating at BB- and upgraded the outlook from *Negative to Stable* on October 28, citing "the company's highly integrated India business, its good market position and improved demand across most sectors in Europe, and inventory replenishment among customers".

Moody's reaffirmed Tata Steel UK Holdings Limited's B2 corporate family rating and *Stable* outlook, citing "the recovery in the European steel industry that underpinned the improvement in the financial performance of the company in the current year (ending March 2011). Strong volumes and steel prices in 1H 2010 supported an improvement in margins".

3. Corporate Developments:

Establishment of Tata Steel Minerals Canada Ltd: Tata Steel approved participation in the Direct Shipping Ore (DSO) Project of New Millennium Capital Corp (NML) in September 2010. A Joint Venture Company (JVC), named Tata Steel Minerals Canada Ltd, was incorporated in October 2010. The JVC will acquire all the mining claims and assets relating to the DSO Project, carry out detailed engineering and facility construction, and be responsible for the Project's operations. Tata Steel will own 80% of the JVC and NML the remaining 20%.

Joint Expression of Interest with Government of Laos: On September 13 Tata Steel, through its wholly owned subsidiary Tata Steel Global Minerals Holdings Pte Limited, signed a joint expression

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of interest with the Government of Laos for the identification and evaluation of iron ore and coal mines in Laos.

Increased Stake in Riversdale Mining Limited, Australia: Tata Steel, through Tata Steel Global Minerals Holdings Pte Limited, increased its stake in Riversdale Mining Limited, the listed entity in Australia, from 21.1% to 24.4% by way of open market purchases.

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.

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