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PRESS RELEASE**Tata Steel reports Consolidated Results for the first quarter of Financial Year 2010-11**
August 12, 2010

Tata Steel Limited today declared its Consolidated Results for the quarter ended June 30, 2010.

Group Performance Highlights:

- **Tata Steel Group** during the first quarter of the financial year 2010-11 (Q1 FY'11) recorded **Profit after tax** (after minority interest and share of profit of associates) of ₹ 1,825 crores (US\$ 393 million) compared to a Loss of ₹ 2,209 crores (US\$ 476 million) in Q1 FY'10, an improvement of ₹ 4,034 crores (US\$ 869 million).
- **Group EBITDA** in Q1 FY'11 was ₹ 4,527 crores (US\$ 975 million) compared to ₹ 204 crores (US\$ 44 million) in Q1 FY'10, an improvement of ₹ 4,323 crores (US\$ 931 million). The return to robust EBITDA levels was attributable mainly to the significant turnaround in the financial performance of the European operations and a much improved financial performance in India.
- **Group consolidated turnover** rose ₹ 3,903 crores (US\$ 840 million), or 17%, to ₹ 27,195 crores (US\$ 5,856 million) from ₹ 23,292 crores (US\$ 5,016 million) in Q1 FY'10, reflecting the recovery in global steel markets.
- **The Group's steel deliveries** rose 13% to 6.05 million tonnes compared to Q1 FY'10 as capacity utilisation improved in Europe.
- **Net Finance Charges for the Group** at ₹ 598 crores (US\$ 129 million) in Q1 FY'11 were 32% lower than in Q1 FY'10 (₹ 882 crores, US\$ 190 million), a reduction of ₹ 284 crores (US\$ 61 million), primarily due to lower interest charges on variable elements of senior debt facilities and repayment of debt at Tata Steel Europe.
- **Liquidity and Net Debt:** The Group continued to enjoy a strong liquidity position (including undrawn credit lines) of ₹ 13,277 crores (US\$ 2,859 million) as at end June 2010, resulting from tight working capital management across all geographies. The Group's net debt at the end of June 2010 stood at ₹ 45,713 crores (US\$ 9,843 million).

1. Financial Performance Analysis:**Consolidated financial results summary (under Indian GAAP) for the quarter ended June 2010**

All figures in US\$ Mn, unless specified

HIGHLIGHTS	Q1 FY'11	Q1 FY'10	Q4 FY'10
Steel Deliveries (Mn tons)	6.049	5.349	6.448
Turnover	5,856	5,016	5,922
EBITDA	975	44	1,148
EBITDA Margin (%)	16.6	0.9	19.4
Depreciation	225	234	236
Net Finance Charges	129	190	142
PBT	601	(434)	687
PBT Margin (%)	10.3	(8.7)	11.6
Profit after Taxes, Minority Interest and Share of Associates	393	(476)	524
PAT Margin (%)	6.7	(9.5)	8.8

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For the purposes of converting all financial numbers to US\$ for all comparable periods, a US\$/₹ exchange rate of 46.44 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 permitted by Accounting Standard 21. This treatment is consistent with the accounting principles followed by Tata Steel Europe and earlier by Corus Group plc under IFRS. Had the company recognised changes in actuarial valuations of 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 quarter ended June 30, 2010 would have been lower by ₹ 694.56 crores (the consolidated loss after taxes, minority interest and share of profit of associates for the quarter ended June 30, 2009 would have been higher by ₹ 2,147.09 crores)
2. 1,50,00,000 ordinary shares of ₹ 10 each, at a premium of ₹ 584 per share, and 1,20,00,000 warrants, at ₹ 594 per warrant, have been allotted to Tata Sons Ltd on July 23, 2010.
3. During the current quarter, the investment in New Millennium Capital Corporation has crossed the threshold limit of 20% and accordingly it has become an associate.
4. Figures for the previous period have been regrouped and reclassified to conform to the classification of the current period, wherever necessary.
5. The consolidated financial results have been subjected to limited review and the stand-alone financial results have been audited by the statutory auditors.
6. The above results have been reviewed by the Audit Committee and were approved by the Board of Directors in its meeting of date.

Executive Comments

Tata Steel Europe MD & CEO Mr. Kirby Adams said: "In April-June the recovery of the European operations continued. Not only was there a US\$ 692 million turnaround in Corus' year-on-year EBITDA performance, there were also significant improvements in revenue and capacity utilisation. This was the result of higher selling prices and the fact that the full impact of recent raw materials price rises on profitability had yet to be felt. European demand has improved in sectors like automotive and aerospace. However, the long-term sustainability of the recovery is highly dependent on future growth in the European construction sector."

Tata Steel Managing Director Mr. H.M. Nerurkar said: "Steel demand and prices have both recovered strongly in the last two quarters. While the recent surge in imports affected our sales to

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some extent, the year should see a strong performance from our Indian operations, backed by full availability of the 6.8 million tonnes p.a. capacity, several improvement programmes in place and strong growth in demand. The 3 million tonnes expansion at Jamshedpur, a priority for us, is on schedule.”

Tata Steel Group:

Group EBITDA at ₹ 4,527 crores (US\$ 975 million) was 22 times higher than in Q1 FY'10 and 15% lower compared to Q4 FY'10. The Group's steel deliveries rose 13% to 6.05 million tonnes in Q1 FY'11 compared to Q1 FY'10 and fell 6% compared to Q4 FY'10. The decline in deliveries was due to sluggish market conditions in India, compensated by higher average selling prices across all product segments and geographies.

Tata Steel India

Turnover at Tata Steel India at ₹ 6,551 crores (US\$ 1,411 million) rose 17% in Q1 FY'11 compared to Q1 FY'10 and fell 11% compared to Q4 FY'10, while EBITDA at ₹ 2,965 crores (US\$ 638 million) was up by 66% compared to Q1 FY'10 and down by 18% compared to Q4 FY'10. In Q1 FY'11 operational EBITDA per tonne, excluding profits on the sale of investments, rose to ₹ 21,037 (US\$ 453) per tonne, 16% higher than the ₹ 18,111 (US\$ 390) per tonne recorded in Q4 FY'10. EBITDA in Q4 FY'10 was higher on account of an increase in deliveries as well as profits on sale of investments, which were ₹ 526 crores (US\$ 113 million) in Q4 FY'10 compared to ₹ 19 crores (US\$ 4 million) in Q1 FY'11.

Saleable steel production in Q1 FY'11 rose by 3% to 1.59 million tonnes compared to Q1 FY'10 and dropped by 6% compared to Q4 FY'10. Operations at Jamshedpur were affected during the quarter by two major power failures in April and May. Sales in Q1 FY'11 dropped by 1% to 1.399 million tonnes compared to Q1 FY'10 and dropped by 18% compared to Q4 FY'10.

The Ferro Alloys and Minerals division recorded an operating profit of ₹ 204 crores (US\$ 44 million), an increase of 47% over the ₹ 139 crores (US\$ 30 million) recorded in Q4 FY'10 and 11 times higher than the operating profit in Q1 FY'10 of ₹ 17 crores (US\$ 4 million).

Tata Steel Europe (Corus)

Turnover at Tata Steel Europe at ₹ 17,711 crores (US\$ 3,814 million) rose by 16% in Q1 FY'11 compared to Q1 FY'10 and by 4% compared to Q4 FY'10, while EBITDA at ₹ 1,363 crores (US\$ 293 million) rose from a loss of ₹ 1,853 crores (US\$ 399 million) in Q1 FY'10 and fell by 17% compared to Q4 FY'10. The sequential drop in EBITDA is due to translation losses as European earnings have been converted at a lower exchange rate than in Q4 FY'10 because of the depreciation of Pound Sterling against the Indian Rupee. A fire at IJmuiden resulted in production losses and increased maintenance expenses in Q1 FY'11.

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Liquid steel production in Q1 FY'11 rose by 32% to 3.74 million tonnes compared to Q1 FY'10 and dropped marginally by 0.1% compared to Q4 FY'10, while deliveries rose by 19% to 3.71 million tonnes compared to Q1 FY'10 and dropped by 2% compared to Q4 FY'10.

Tata Steel Europe made rapid progress in developing the new operating model that will transform the Company into a more integrated, customer-focused business. As well as establishing a new Group Marketing function, a pilot manufacturing hub, "Longs EU", has been set up based at Scunthorpe. Consultations continue on the establishment of other manufacturing hubs covering strip products.

Market conditions during the quarter were sufficiently strong for the Company's sales prices to continue increasing and there were price rise announcements on reversing mill plate and structural sections. Production at Company plants also continued to rise, weekly production records being set at the Port Talbot blast furnaces. IJmuiden set a new quarterly production record for hot-dip galvanised coil of about 100,000 tonnes.

The cost saving and restructuring programmes launched in the 2008-09 financial year in Tata Steel Europe continue to accrue an estimated £350 million (US\$ 524 million) in annual benefits.

The Company continued to reduce CO₂ emissions, inaugurating a £60 million BOS gas recovery plant at Port Talbot. This new facility, the largest investment in UK steelmaking of recent years, is reducing the South Wales plant's CO₂ emissions by almost 300,000 tonnes a year, as well as halving its requirement for externally sourced energy.

The Company announced that Dr. Karl-Ulrich Köhler will succeed Mr. Kirby Adams as MD & CEO of Tata Steel Europe from the beginning of October 2010, following Mr. Adams' decision to return to Australia. Dr. Köhler joined the Company in February as Chief Operating Officer.

NatSteel

Turnover at NatSteel at ₹ 1,742 crores (US\$ 375 million) was up by 27% in Q1 FY'11 compared to Q1 FY'10 and by 17% compared to Q4 FY'10, while EBITDA at ₹ 94 crores (US\$ 20 million) was up by 114% compared to Q1 FY'10 and by 95% compared to Q4 FY'10.

Finished steel production in Q1 FY'11 dropped by 1% to 0.375 million tonnes compared to Q1 FY'10 and by 13% compared to Q4 FY'10, while deliveries rose by 12% to 0.609 million tonnes compared to Q1 FY'10 and dropped by 13% compared to Q4 FY'10.

Tata Steel Thailand

Turnover at Tata Steel Thailand at ₹ 872 crores (US\$ 188 million) rose by 37% in Q1 FY'11 compared to Q1 FY'10 and dropped by 4% compared to Q4 FY'10, while EBITDA at ₹ 56 crores (US\$ 12 million) was up by 1,295% compared to Q1 FY'10 and by 273% compared to Q4 FY'10.

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Finished steel production in Q1 FY'11 rose by 16% to 0.304 million tonnes compared to Q1 FY'10 and dropped by 14% compared to Q4 FY'10, while deliveries rose by 13% to 0.297 million tonnes compared to Q1 FY'10 and dropped by 6% compared to Q4 FY'10.

2. Financing and Capital Raising Initiatives:

Equity Raising: Tata Steel Ltd raised ₹ 1,069.20 crores (US\$ 230 million) through a preferential allotment of shares and warrants to Tata Sons in July 2010.

Debt Pre/Repayment: Tata Steel injected an additional £100 million in May 2010 into Tata Steel Europe, while Tata Steel Europe prepaid £112.5 million of debt in the same month. In Q1 FY'11 Tata Steel repaid loans of ₹ 1,020 crores (US\$ 215 million).

Fund Raising:

- In Q1 FY'11 Tata Steel contracted loans of US\$ 350 million for working capital financing, of which US\$ 140 million has been drawn in Q1 FY'11.
- The Company secured commitments for subscriptions to privately placed Redeemable Non Convertible Debentures totalling ₹ 3,000 crores (US\$ 646 million), with a final maturity of 20 years from the date of allotment. The proceeds will be used to meet the Company's expansion projects in India and will be drawn down by the end of FY'11.

3. Corporate Developments:

Southern Steel Berhad, Malaysia

NatSteel Holdings Pte Ltd sold its entire 27.03% stake in Southern Steel Berhad, Malaysia for a total consideration of around US\$ 72 million. The sale is part of Tata Steel's strategy of restructuring its portfolio and reconsidering its position in geographies where it does not have majority control. The transaction is subject to approval from Bursa Malaysia and other relevant regulatory authorities.

Riversdale Mining Ltd

Tata Steel has a joint venture with Riversdale Mining Limited (RML) for the development of the Benga and Tete coking coal tenements in Mozambique. TSL holds a 35% stake in Riversdale Energy (Mauritius) Limited (REML), which owns these tenements, as well as 40% offtake rights.

In order to accelerate the development of the Benga project, expand the exploration programme at RML's other Mozambique tenements and find capital for logistics, RML, a listed entity in Australia in which Tata Steel is currently the largest shareholder with a 21.15% stake, has raised capital of A\$ 337 million at A\$9.40 per share through:

1. A private placement of around A\$ 102 million with institutional investors, and
2. A non-renounceable rights issue of A\$ 235 million for existing institutional and retail shareholders of the company.

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Tata Steel has participated in both the placement and the rights issue in proportion to its shareholding at an investment of A\$ 72 million, maintaining its stake in RML at 21.15%.

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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