

Mumbai, February 08, 2019

Tata Steel reports consolidated financial results for the quarter and nine month ended December 31, 2018

Highlights of the quarter:

- Health and Safety: Lost Time injury frequency rate per mn man hours worked of Tata Steel group reduced to 0.47 in 9MFY19
- Consolidated steel production grew 11%YoY to 7.23 mn tons and deliveries increased 7%YoY to 6.99 mn tons
- India¹ steel production surged 34%YoY to 4.38 mn tons while deliveries grew 18%YoY to 3.89 mn tons from 3.30 mn tons in 3QFY18
- Consolidated revenues increased 23%YoY to Rs.41,220 crores; India¹ revenues recorded 41%YoY growth to Rs.22,063 crores as compared to Rs.15,596 crores in 3QFY18
- Consolidated adjusted EBITDA grew 27%YoY to Rs.7,225 crores as compared to Rs.5,671 crores in 3QFY18
- Standalone adjusted EBITDA was Rs.4,872 crores and EBITDA margin stood at 28.4%. Standalone EBITDA/t was Rs.16,407/t
- Consolidated PAT increased to Rs.1,753 crores as compared to Rs.1,136 crores in 3QFY18
- The liquidity position of the group remains robust at Rs.19,320 crores comprising of Rs.8,549 crores in cash and cash equivalents and Rs.10,771 crores in undrawn bank lines
- Gross debt decreased by Rs.9,083 crores during the quarter.

Tata Steel India and Consolidated Highlights

(Figures in Rs. crore unless otherwise specified)

	India			Consolidated ²	
	Standalone	TSBSL	Standalone	3QFY19	3QFY18
	3QFY19		3QFY18		
Production (mn ton) ³	3.34	1.04	3.27	7.23	6.49
Deliveries (mn ton)	2.97	0.92	3.30	6.99	6.56
Turnover	17,174	4,889	15,596	41,220	33,447
Adjusted EBITDA ⁴	4,872	1,008	4,710	7,225	5,671
PBT before exceptional items	3,514	(105)	3,226	3,119	3,210
Exceptional Charges	260	(134)	(1,115)	32	(1,116)
PAT from Continuing Operations	2,456	(240)	1,338	1,751	1,144
PAT from Discontinued Operations	-	-	-	2	(8)
Reported PAT (A)	2,456	(240)	1,338	1,753	1,136
Other Comprehensive Income (B)	(105)	9	136	172	189
Total Comprehensive Income (A+B)	2,351	(231)	1,474	1,925	1,325
Diluted EPS (Rs.)	21.05	(2.19)	12.55	19.59	12.07

1. India includes Tata Steel Standalone and Tata Steel BSL on proforma basis without inter-company eliminations 2. Tata Steel BSL financials are consolidated from 18th May, 2018 3. Production numbers for consolidated financials are calculated using Crude steel for India, Liquid steel for Europe and saleable steel for SEA 4. EBITDA restated to exclude share of JV and Associates, and adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings and revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings; TSBSL: Tata Steel BSL

Key Operating and Financial Highlights of the quarter:

- India¹ steel production grew by 34%YoY to 4.38 mn tons with the acquisition and ramp-up of Tata Steel BSL. India¹ deliveries stood at 3.89 mn tons and now account for more than 55% of consolidated volumes.
- Tata Steel continued to increase its market share in chosen segments. Automotive segment sales increased by 24%YoY; Industrial Products and Projects segment sales grew by 29%YoY. Branded products, Retail & Solutions segment sales grew by 16%YoY; Tata Steel now touches 3 million retail customers.
- India¹ revenues from operations increased by 41%YoY to Rs.22,063 crores driven by higher volumes and better realizations.
- Standalone adjusted EBITDA for the quarter was Rs.4,872 crores, the EBITDA margin stood at 28.4%; Standalone EBITDA/t was Rs.16,407/t.
- Tata Steel BSL integration is progressing smoothly and the focus continues to be on ramping up production and realizing synergies. Tata Steel BSL EBITDA for the quarter was Rs.1,008 crores and the EBITDA margin was 20.6%.
- Tata Steel remains focused on operational efficiencies and minimizing environmental impact. Tata Steel Jamshedpur has been able to increase solid waste utilization to 97% in 3QFY19. Solid waste utilization at Tata Steel Kalinganagar stood at 105% in 3QFY19.

Key corporate developments:

- Tata Steel and thyssenkrupp AG are working together to secure the required regulatory approvals for the proposed 50:50 joint venture in Europe. The European Commission Phase II merger control review is currently underway. Both Tata Steel and thyssenkrupp have announced the executive leadership of the planned joint venture.
- Tata Steel Kalinganagar Phase II expansion project is on schedule; work has started on the Cold Rolling Complex which will help in enriching our product mix and optimizing cashflows. Foundation work for Pickling Line and Tandem Cold Mill is also at an advance stage along with enabling work on rest of the project.
- The acquisition process of Usha Martin's steel business is being carried out through Tata Sponge Iron Limited, a subsidiary of Tata Steel. The transaction is expected to close in 4QFY19.
- Tata Steel has signed definitive agreements to divest 70% stake of its South-East Asia operating entities for a cash consideration of US\$327 million. The transaction is expected to be completed in 1QFY20. The proceeds will be used for deleveraging. Upon completion of the transaction, consolidated gross debt will come down by around US\$500 million.
- Tata Steel divested its remaining 26.62% equity stake in TRL Krosaki, for Rs.305 crores. The divestment is in line with stated strategic priorities of divestment of non-core assets and the proceeds will be used for deleveraging.

1. India includes Tata Steel Standalone and Tata Steel BSL on proforma basis without inter-company eliminations

Management Comments:**Mr. T V Narendran, CEO & Managing Director:**

“Tata Steel is committed to growing its India footprint while focusing on benchmark operational performance, superior market presence, strong customer relationships and sustainability. Despite a sharp drop in international steel prices, we were able to maintain our overall realizations and increase our volumes significantly in India. The integration of Tata Steel BSL continues and our 5 MTPA expansion at Tata Steel Kalinganagar is also making good progress. We are also looking forward to enhancing our long products and downstream capability through the acquisition of the 1mtpa steel business of Usha Martin. The phase II review of the TSE ThyssenKrupp JV is ongoing and we are closely working with the European Commission to facilitate the same. In line with our strategy of divesting non-core assets and focusing on India, we have announced a divestment of a 70% stake in our SEA business and we continue to work on exploring similar opportunities across our portfolio.”

Mr. Koushik Chatterjee, Executive Director and CFO:

“The market environment for the industry was challenging during the quarter with softening of steel prices. In spite of the challenging quarter, Tata Steel consolidated revenues improved by 23%YoY to reach Rs. 41,220 crores while adjusted EBITDA improved by 27%YoY to Rs.7,225 crores. The Standalone adjusted EBITDA during the same period was Rs.4,872 crores with the EBITDA margin of 28.4% while Tata Steel BSL reported an EBITDA of Rs.1,008 crores with a margin of 20.6%. The consolidated Profit after Tax stood at Rs.1,753 crores, a 54%YoY growth. The short-term finance taken for Tata Steel BSL acquisition has been refinanced with long-term loans of Rs.15,500 crores. During the quarter, Tata Steel Group generated operating cash flows of Rs.4,150 crores. The liquidity position of the Group remains strong at Rs.19,320 crores, including Rs.8,549 crores of cash and cash equivalents. Our consolidated gross debt has declined by Rs.9,083 crores during the quarter including de-leveraging of over Rs.6,000 crores. We have repaid Rs.3,000 crores from Tata Steel BSL since the acquisition as part of the overall de-leveraging. The proceeds from the divestment of 70% of our stake in our South-east Asia business as well as from the sale of our residual holding in TRL Krosaki will be used for further deleveraging.”

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 may differ materially from those directly or indirectly expressed, inferred 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 or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.

About Tata Steel

Tata Steel Group is among the top global steel companies with an annual crude steel capacity of 33 million tonnes per annum (MTPA). It is one of the world’s most geographically-diversified steel producers, with operations and commercial presence across the world. The Group recorded a consolidated turnover of US \$20.41 billion (INR 133,016 crore) in FY18. In 2018, Tata Steel acquired Bhushan Steel Ltd (now renamed as Tata Steel BSL Ltd). Currently, Tata Steel’s consolidated India crude steel production capacity stands at 18.6 MTPA.

A Great Place to Work-Certified™ organisation, Tata Steel Ltd., together with its subsidiaries, associates and joint ventures, is spread across five continents with an employee base of over 65,000.

Tata Steel retained Industry Leader position in FY18 and ranked second overall in the DJSI assessment, 2017. The Company has been recognised as the Climate Disclosure Leader in 'Steel category' by CDP (2017). Besides being a member of the World Steel Climate Action Programme, Tata Steel has won several awards including the Prime Minister's Trophy for the best performing integrated steel plant for 2016-17, 'Corporate Strategy Award' by Mint (2018), Golden Peacock Award for Risk Management 2018 and Best Risk Management Framework & Systems Award 2019 by CNBC TV18. The Company also received the 'Most Ethical Company' award from Ethisphere Institute for the sixth time (2018), Steel Sustainability Champions (2017) by the World Steel Association, Dun & Bradstreet Corporate Awards (2017 & 2018), Golden Peacock HR Excellence Award by Institute of Directors (2017 & 2018) as well as 'Asia's Best Integrated Report' award by the Asia Sustainability Reporting Awards (2017), among several others.

In 2018, the Company launched a corporate brand campaign #WeAlsoMakeTomorrow.
(www.wealsomaketomorrow.com)

To know more, [visit www.tatasteel.com](http://www.tatasteel.com)

For media enquiries contact:

Kulvin Suri

Tel: +91 22 6665 0581/ +91 92310 52397

Email: kulvinsuri@tatasteel.com

Rob Simpson

Tel: +44 207 717 4404/ +44 7990 786 531

Email: rob.simpson@tatasteel.com