TATA STEEL

Results Presentation

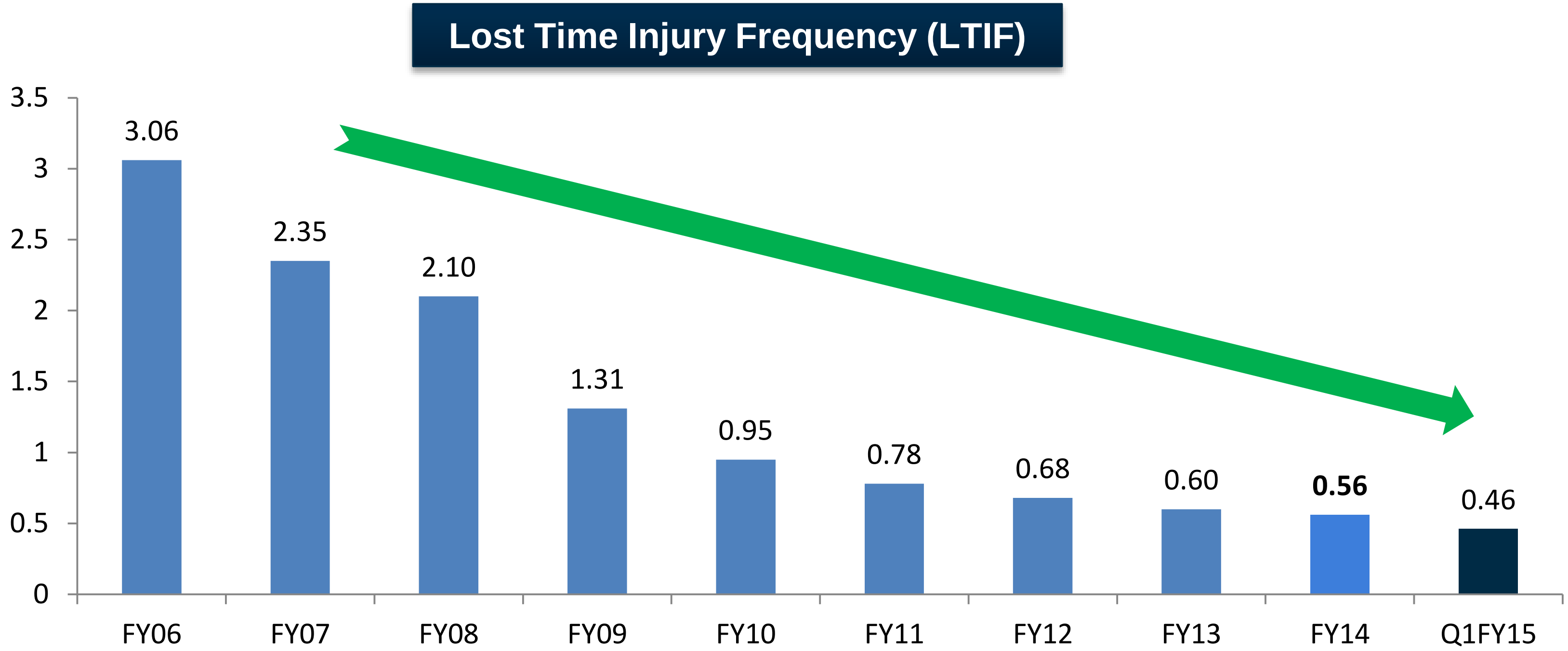
First Quarter Ended 30th June 2014

13th August 2014

Disclaimer

Statements in this presentation 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.

Tata Steel Group – Health and Safety



- Reduction continues in lost time injuries with Q1FY15 performance 18% better than FY14
- Ambition to make Tata Steel sustainably fatality free progressing with focus on construction work, road safety and contractor management
- Common H&S management system established across Tata Steel and further senior leadership training in H&S excellence

Tata Steel continues to focus on engaging with communities and improving quality of life

India

- ✓ Primary health care services delivered to more than 85,000 people through static clinics as well as mobile medical vans in areas of operations
- ✓ Almost 49,000 students of government schools in Jharkhand being catered through mid-day meal programme
- ✓ Nearly, 360 youth undergoing various vocational trades across locations.

Europe

- ✓ Almost 7,000 children participated in the eighth annual Tata – Kids of Steel triathlon series in the UK this summer (May to July)
- ✓ Almost 2,000 people took part in the "Tata Steel Marquette Loop” running event near IJmuiden including 800 children who took part in a special Tata - Kids of Steel race
- ✓ Supported education initiative in Port Talbot to improve personal safety for 1,600 children

Financial Performance

Key highlights

Strong and growing presence in India

- Strong growth delivered with 11% YoY increase in Turnover and 13% YoY increase in EBITDA
- Investment in brands and pan-India marketing footprint yielding results in sluggish market
- Value-added downstream processing enriching product mix and improving margins

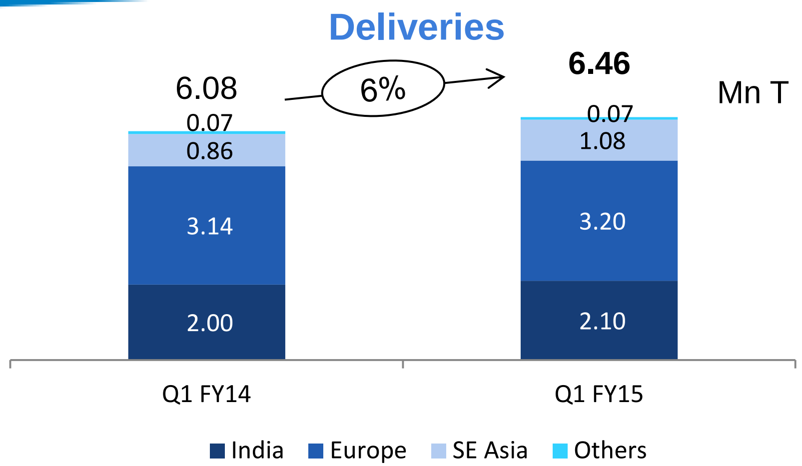
Europe stabilising

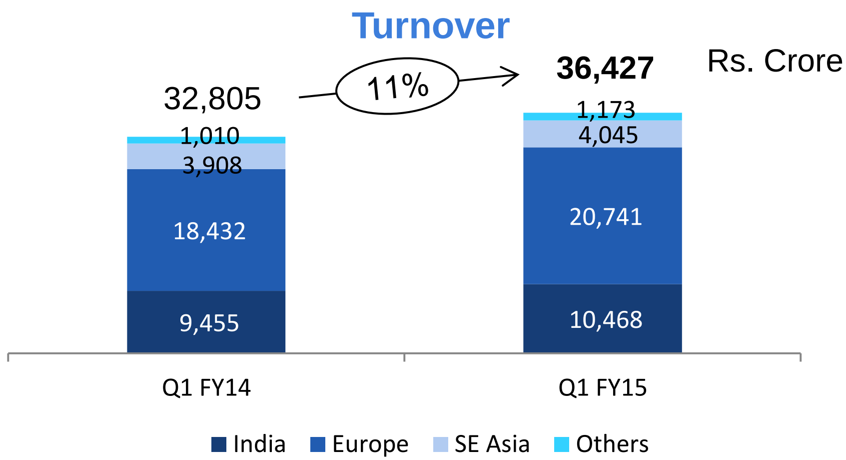
- Gradual improvement in financial performance despite y-o-y deterioration in spreads
- Focus on differentiated products, new product innovation and customer relationships
- Enhancing competitiveness through relentless focus on costs

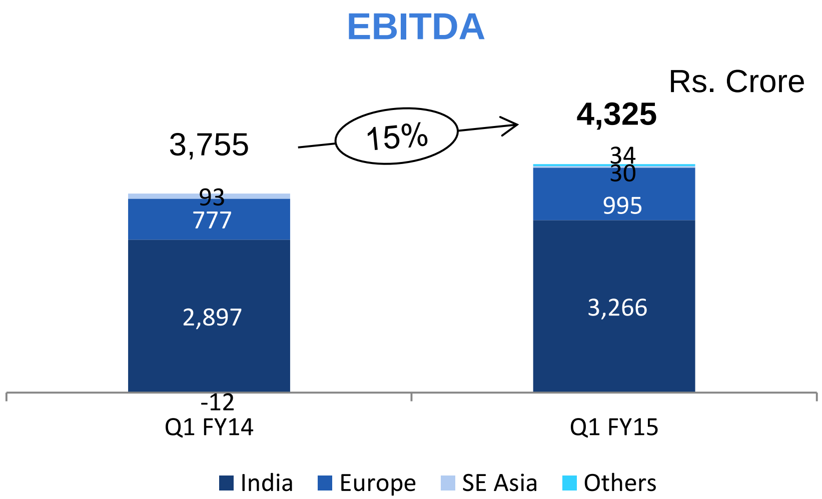
Financial initiatives to strengthen the balance sheet

- Ongoing refinancing of US$7 billion
- Monetisation of non-core assets to unlock value

Financial Highlights
Quarter Ended 30th June'14







Healthy improvement across geographies

TATA STEEL

Financial Performance
Quarter Ended 30th June'14

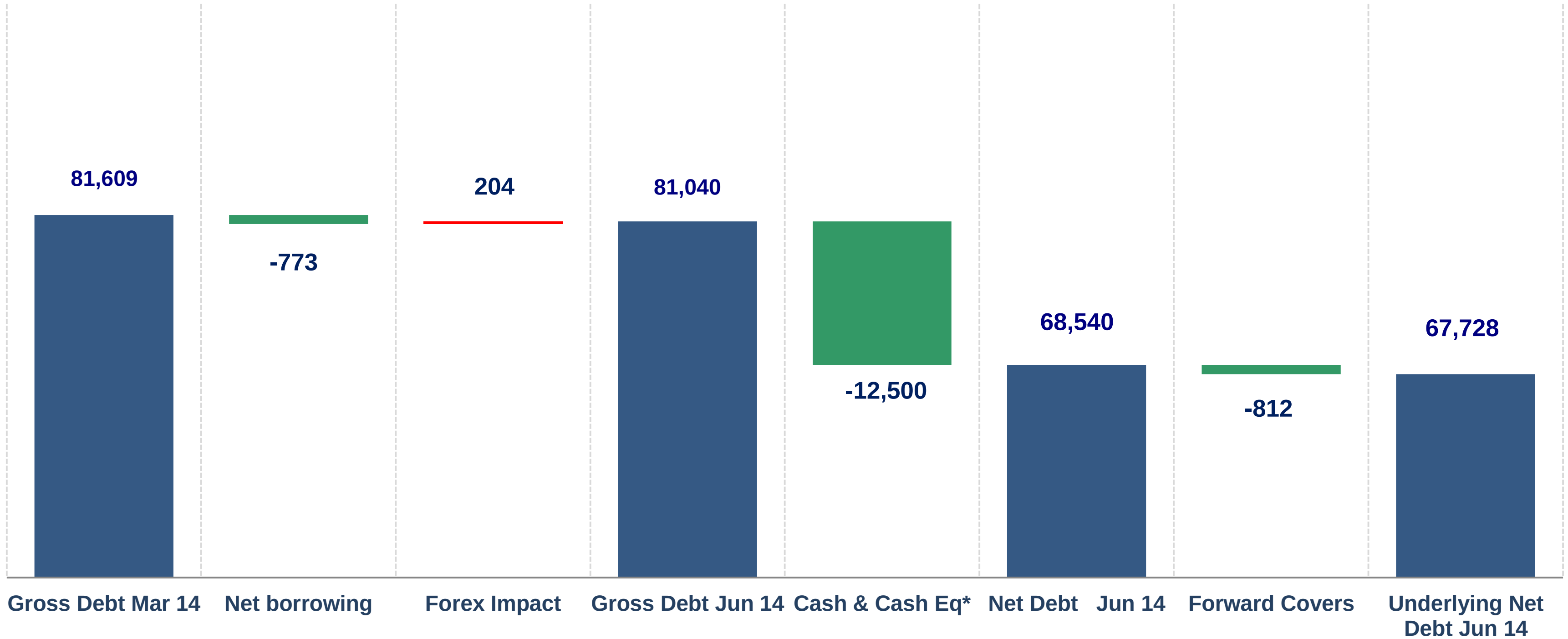
Figures in Rs. Crore unless specified

Figures in Rs. Crore unless specified	Q1 FY15 India	Q1 FY15 Europe	Q1 FY15 SE Asia	Q1 FY15 Others & Elimn	Q1 FY15 Group	Q4 FY14 Group	Q1 FY14 Group
Deliveries (Mn T)	2.10	3.20	1.08	0.08	6.46	7.62	6.08
Turnover	10,468	20,741	4,045	1,173	36,427	42,428	32,805
Raw Mat consumed	2,564	8,132	68	247	11,010	12,603	10,441
EBITDA	3,266	995	30	34	4,325	4,917	3,755
EBITDA/tonne (Rs.)	15,529	3,110	276	n.m.	6,699	6,449	6,178
EBIT	2,773	136	-32	-103	2,774	3,445	2,351

	Q1 FY15	Q4 FY14	Q1 FY14
Profit Before Tax*	1,424	2,436	1,494
Profit After Tax, Minority Interest and Associates' Income *	337	1,036	1,139

* PBT and PAT includes exceptional loss of Rs.262 crores and Rs.46 crores in Q1 FY15 and Q4 FY14 respectively while Q1 FY14 included exceptional gain of Rs.18 crores

Debt Movement and Pension update



* Includes current investments

- Total liquidity of ~Rs.18,800 crores
- Capex incurred in Q1 FY15: Rs.3,055 crores
- BSPS and SPH pension funds: Net surplus# of £291 million at the end of Q1 FY'15

\# As per IAS 19 (2008) Valuation

Financing and deleveraging initiatives

Successful dual tranche debut USD bond issue of US$ 1.5 billion

- USD 500 million 4.85% Unsecured Bonds due on January 31, 2020
- USD 1 billion 5.95% Unsecured Bonds due on July 31, 2024

Unlocking value through divestments of non-core assets

- Divestment of Dhamra Port
- Sale of land in Mumbai for Rs.1,155 crore

Rating updates:

- S&P upgraded its outlook on Tata Steel and Tata Steel UK to ‘Stable’ from ‘Negative’
- Moody’s has put Tata Steel and Tata Steel UK ratings on ‘Review for Upgrade’

Strengthening balance sheet and financial flexibility

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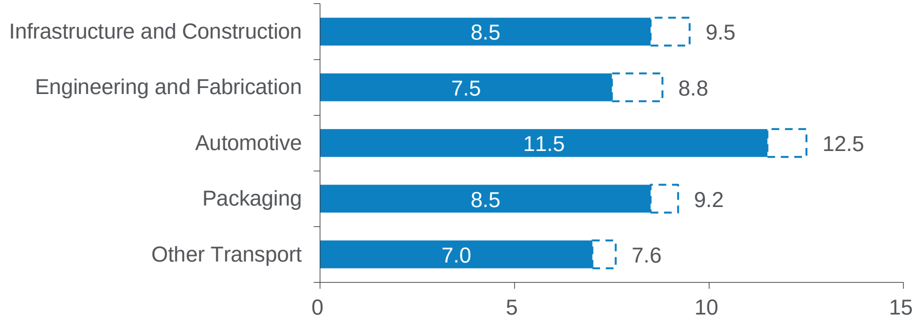
Operating Performance :
India and South East Asia

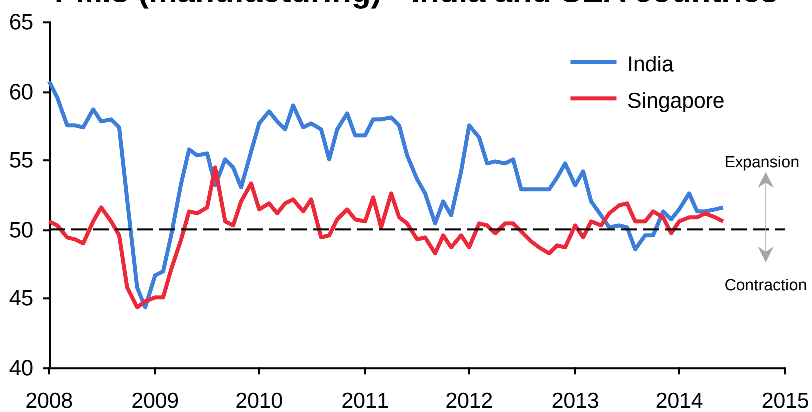
India and SE Asia – business environment

Robust growth expected across key end-use segments
(FY12 – FY21 Projected CAGR (%))



Note: Graph Shows Range

PMIs (manufacturing) - India and SEA countries



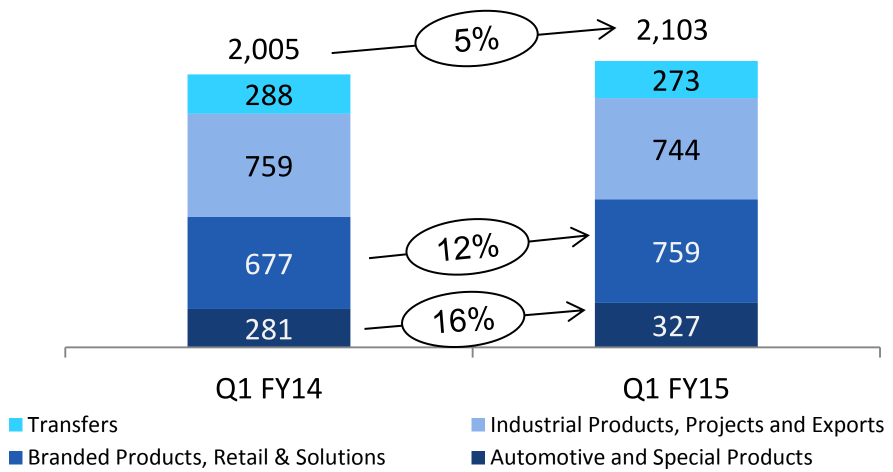
- ❑ Decisive general elections results and signs of economic growth augurs well for the domestic steel industry
  - ➢ Slow GDP growth has bottomed out
  - ➢ PMI and IP moving up
  - ➢ Steel demand is expected to improve gradually with focus on infrastructure and housing
- ❑ Demand outlook stable in SE Asia. However, increasing imports hurting the domestic steel players.

Indian steel demand is poised to grow with improvement in the economy

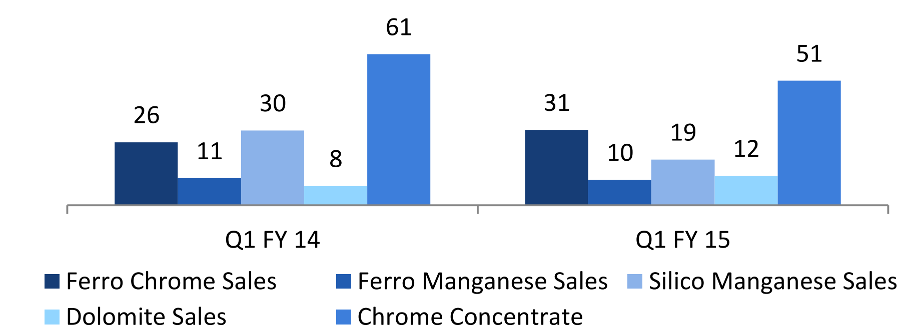
Source: India Steel Vision 2020, Tata Steel Group Strategy, Markit

India – Superior volume growth in target segments

Steel sales (in kt)



FAMD sales (in kt)



- Strong volume growth in Auto segment
  - 16% growth over the last year versus flattish growth for automotive steel and 12% growth in automotive industry
  - Hi-End sales (Skin panel, Hi-tensile, GA) increased by 46%
- Best ever sales in Branded Retail business
  - Volume increased by 22%
  - Pan India dealership base increasing from ~6,600 to ~7,500
- In the Industrial Products segment, volume of Hi-End wire rod sales increased by 27%

South East Asia – Operational improvement ongoing

NatSteel Holdings

- Profitability affected by price pressure due to imports and sticky scrap prices
- Strategy to focus on export markets, value added products and cost reduction initiatives

Tata Steel Thailand

- Steel plant yield improved further with operational best practices
- Improved availability of downstream and value added products (Cut and Bend)
- Tight working capital management

KPO Phase–1 project update

- We have spent about Rs.17,600 crores on the project by the end of Q1 FY’15 of which about Rs.1,300 crores was spent in the last quarter
- We continue to engage with the local community to improve their livelihood, education, health and vocational skills

Expected commissioning by end-Q4 FY15

Business Outlook

India:

- Pro-investment policies announced by the new government are likely to trigger new growth cycle

- While the near term outlook remains sluggish due to seasonal factors; macro conditions are expected to improve in H2

South East Asia

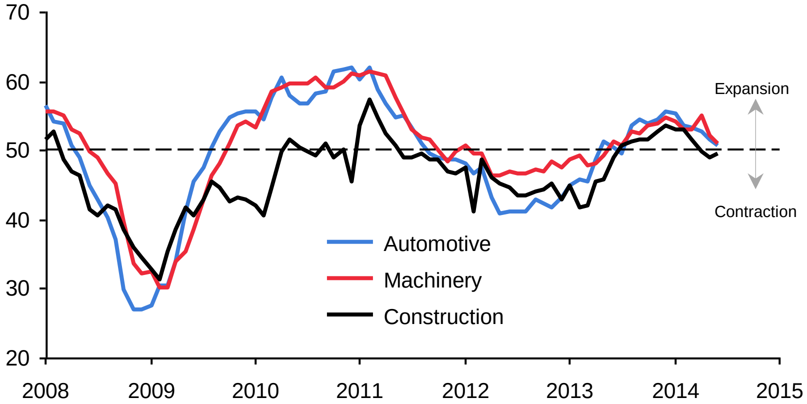
- Construction outlook remains positive in the region. However, imports from China continue to adversely affect spread.
- Thailand government has announced infrastructure projects. Consumer sentiment also improving in the recent months.

Operating Performance:

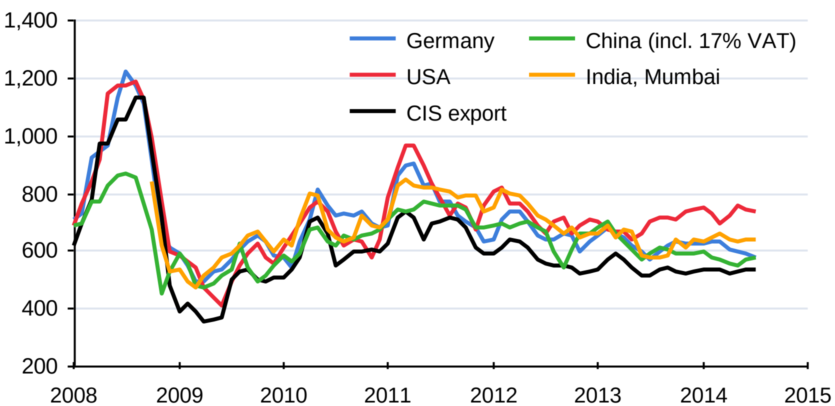
Europe

Europe – business environment

PMIs for main steel using sectors in EU



HRC spot price (US$/tonne)

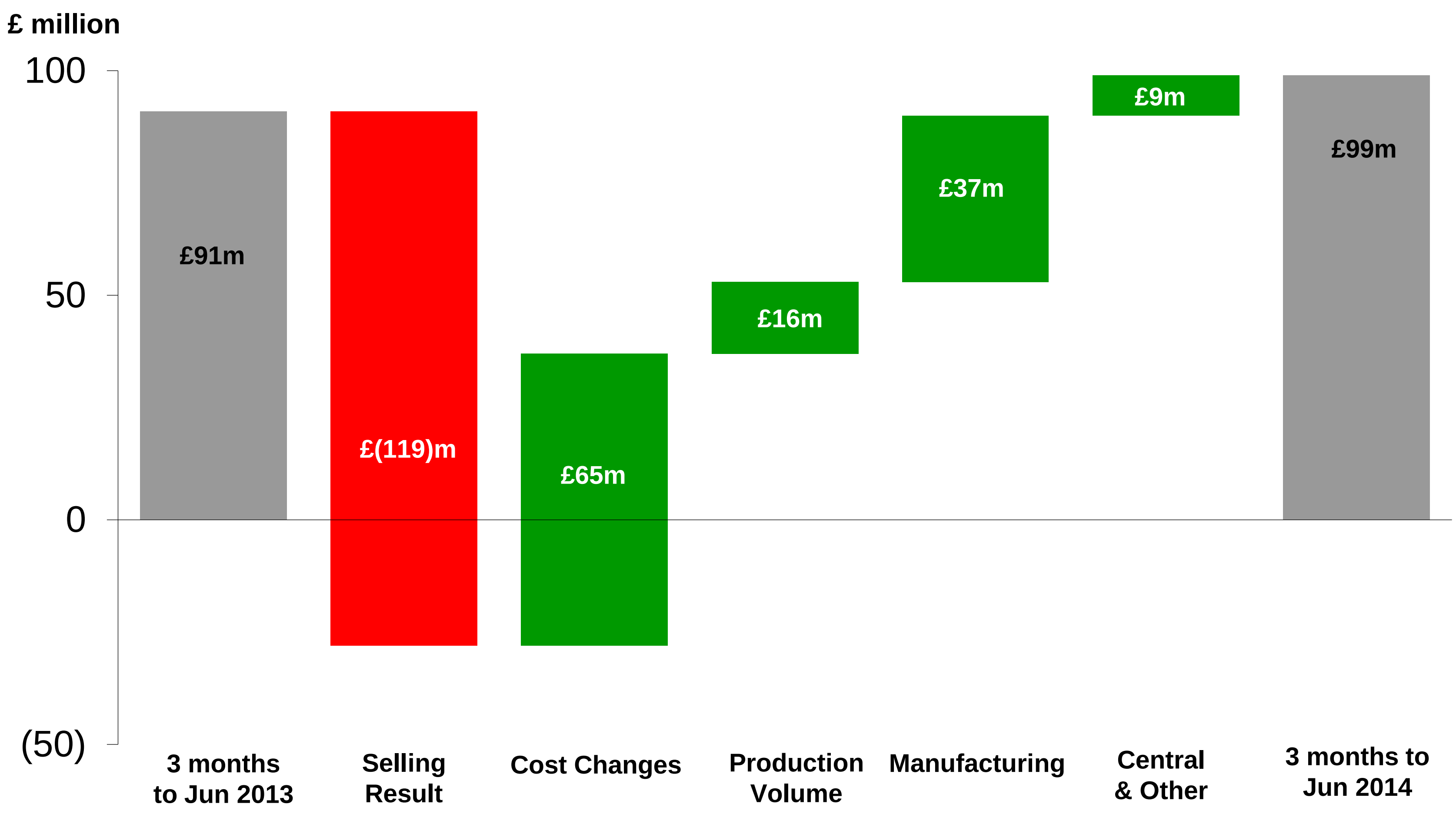


- PMIs continue to indicate growth, although rates are more modest for the eurozone
- The depreciation of the euro and strong economic performances seen elsewhere should help to boost the eurozone economy
- Steel prices have trended down in Europe, in part due to falling raw material prices. However, stabilisation is expected as global prices remain steady.

EU steel demand expected to grow by +3.7% in 2014 as market conditions improve

Source: Tata Steel Group Strategy, CRU, Markit

EBITDA bridge : Q1 FY'15 vs. Q1 FY'14



Improved product mix and cost focus driving performance

Performance improvements continue

- Similar operational performance to a year ago
- EBITDA continued to improve, despite lower y-o-y spreads
- Rigorous approach to costs led to further £30m savings in Q1

Enhanced customer offering

- Maintained strong pace of new product launches – 10 so far this year, including for automotive manufacturers
- 20% increase in differentiated product sales in Q1 vs FY14
- Strengthened customer service offering for customers with new processing equipment
- Customer wins included North Sea pipeline

European business outlook

- Latest Eurofer forecast for steel demand in EU revised upwards to +3.7% for 2014, but growth expected to decelerate in the second half of calendar year
  - Growth of European steel market forecast to be 2.9% in CY 2015 as it continues to stabilise
  - Rising imports hampering EU mill deliveries
  - Raw material prices likely to remain stable in near term

- European operations remain focused on:
  - Improving focus on customers, enabling them to succeed in their own markets
  - Improving operational reliability
  - Reducing costs further

Key Developments

Raw Material Projects

Direct Shipping Ore Project, Canada

- Sales to re-commence from August onwards
- Wet Processing plant to be commissioned in Q4 FY'15 - will facilitate year-long operations
- Enhancement in iron reserves through exploration and JV for Howse deposit provides an option to increase capacity and life of the project

Benga Project, Mozambique

- 240kt of HCC shipped in Q1 FY'15
- Logistic issues and security considerations continue to affect productions in Q1 FY'15
- Impairment loss of Rs.1,577 crores recognised in Q1 FY'15

Regulatory update

- All our iron ore and coal produced from our mines is used for captive consumption
- The company has been operating its mines with all statutory clearances, such as environmental clearance, forest clearances, consent to operate etc. and also submitted applications for the renewal of the mining leases as per the time stipulated under law
- While the mining operations in Odisha were suspended for a fortnight following the Supreme Court order in May 2014, the State Government issued Express Order(s) that enabled the Company to resume its mining operations in two iron ore mines and two manganese mines in Odisha
- The Express Orders by the Government of Odisha for the Khondbond Iron Ore Mines and Sukinda Chromite Mines are still pending
  - Consequently, all operations in these mines are still suspended
  - This has led to stoppage of operations of our Ferro Alloys plants since the first week of August 2014

Thank You

Appendix

Standalone Results – QoQ Variations

All figures in Rs. Crore

Particulars	Q1 FY15	Q4 FY14	Key Reasons
Net sales	10,378	12,042	Seasonally lower volumes partly offset by higher realisation and better product mix from Steel division
Other operating income	91	149	Last quarter includes one-off income
Changes in inventories	(343)	296	Slight inventory build up versus drawdown in the last quarter
Purchases of finished, semis & other products	68	54	At par with the previous quarter
Raw materials consumed	2,564	2,743	Reduction in line with lower production, lower cost and consumption of purchased coke and lower operations at FAMD partially offset by higher share of imported coal
Employee benefits expenses	1,130	789	Reduction in discount rate for retiral provisions as opposed to increase in the previous quarter and normal salary increments
Purchase of power	721	618	Increase in cost and consumption of purchased power for captive use and for resale; in addition to restart of plant at FAMD post maintenance
Freight and handling	691	770	Decline in line with lower shipments
Depreciation and amortisation	493	462	Increased due to reassessment of useful life of assets and commissioning of Coke Oven Battery#11
Other expenses	2,381	2,813	Reduction mainly in Stores&Spares, Repairs, Conversion charges, Royalty and due to the absence of one-off provisions made in the last quarter
Other income	144	53	Higher profit on sale of current investments, lower loss on cancellation of forward covers and miscellaneous sale of assets
Finance costs	492	465	Higher interest on term loans
Exceptional Item	788	(142)	Profit on sale of Dhamra Port

Consolidated Results – QoQ Variations

All figures in Rs. Crore

Particulars	Q1 FY15	Q4 FY14	Key Reasons
Net sales	36,143	42,018	Declined in line with lower volumes at India and Europe partially offset by higher realisation
Other operating income	284	410	Decline mainly in India and Europe
Changes in inventories	(593)	2,275	Small inventory build up compared to draw down in the previous quarter
Purchases of finished, semis & other products	4,129	4,239	Decline mainly in Europe partly offset by higher purchases in South East Asia
Raw materials consumed	11,010	12,603	Decline in Europe due to lower production in addition to the decline in India
Employee benefits expenses	5,634	5,355	Increased primarily at India partially offset by decline in Europe
Purchase of power	1,607	1,595	Increase in India partially offset by lower costs in Europe
Freight and handling	2,190	2,644	In line with lower shipments
Depreciation and amortisation	1,550	1,472	Small increase in Europe in addition to the increase in India
Other expenses	8,177	8,706	Cost control in Europe in addition to the reduction in India
Other income	216	112	Increased mainly in India
Finance costs	1,252	1,169	Increase in in Europe due to one time charges in addition to increase in India
Exceptional Item	(262)	(46)	Impairment loss at Benga project partially offset by gain on sale of Dhamra port
Tax	1,080	1,365	Declined primarily in India in line with the profits

Contact Information

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