

9th February, 2012

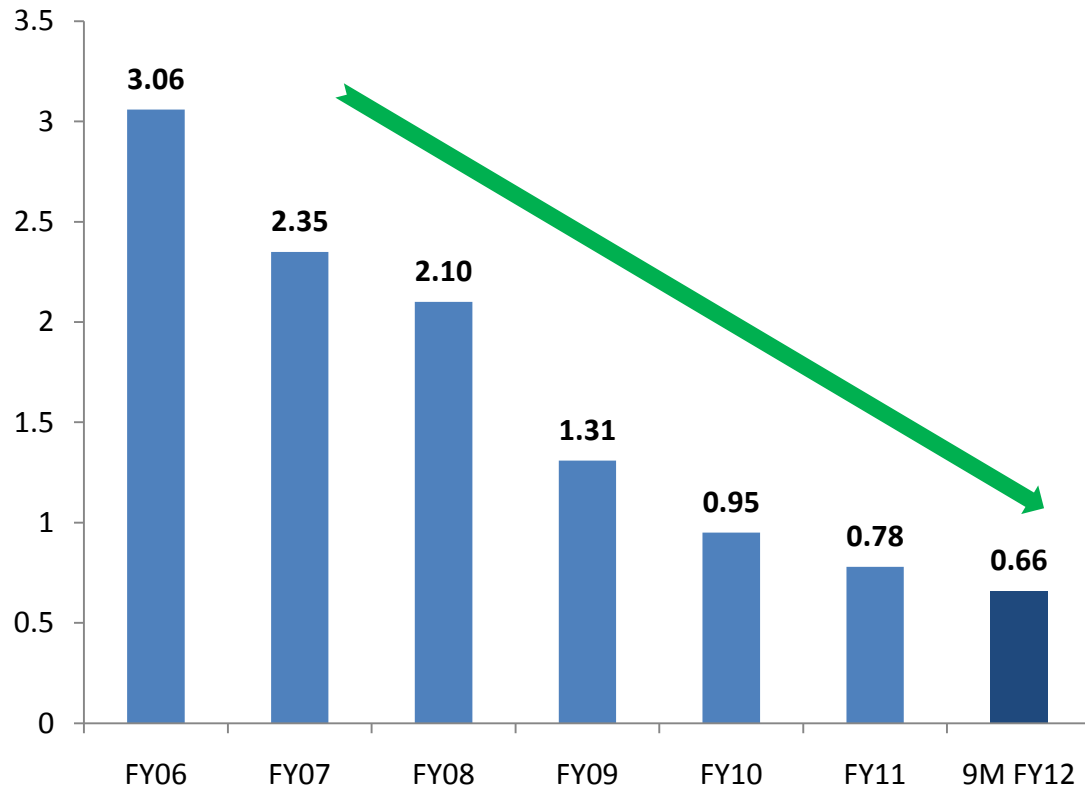
Consolidated Financial Results

Nine months ended 31st December 2011

Result Presentation

- Introduction and consolidated highlights
- Global business environment
- Performance of Indian and SE Asian operations
- Performance of European operations
- Group financial performance
- Project update
- Outlook

Lost Time Injury Frequency (LTIF)



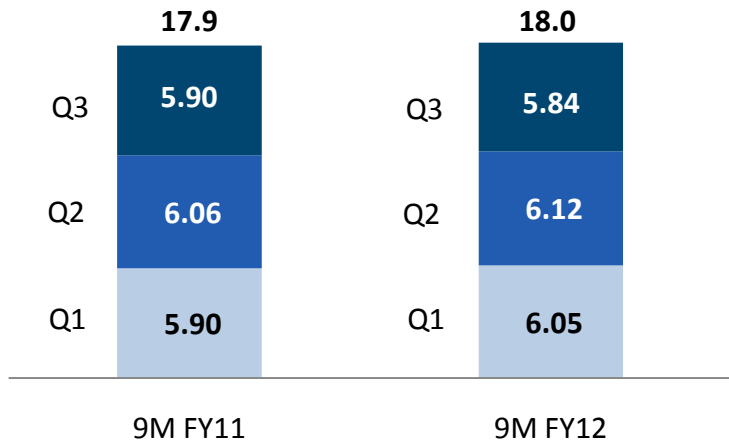
- Common Health & Safety management system being introduced across Tata Steel by March 2012
- Lost time injury frequency rate of 0.66 for 9MFY12 representing 15% improvement on FY11

Group Financial Highlights



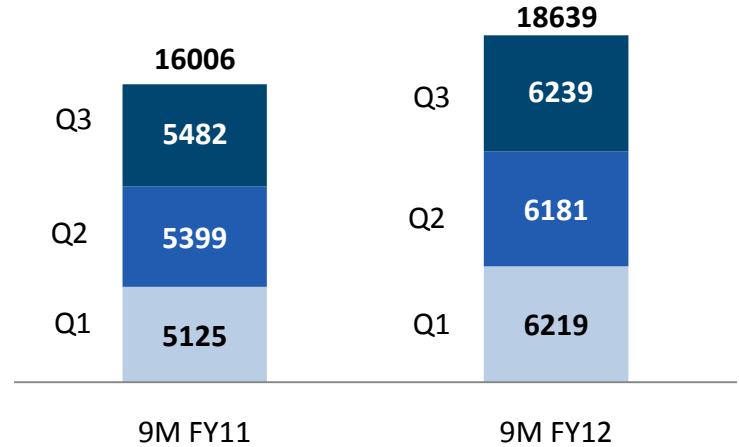
Deliveries

Mn T



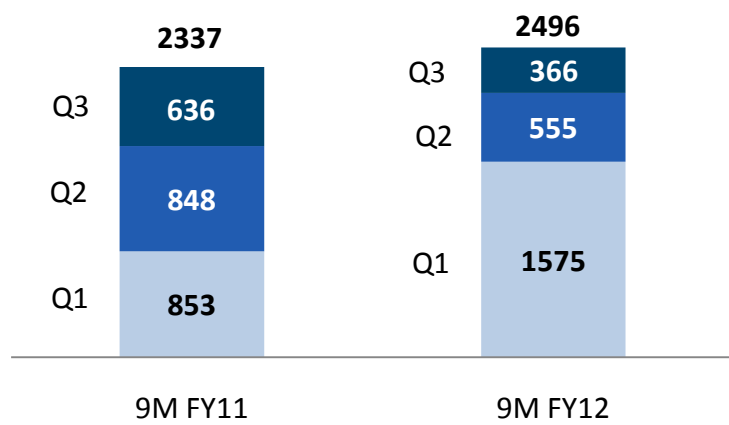
Turnover

US\$ mn



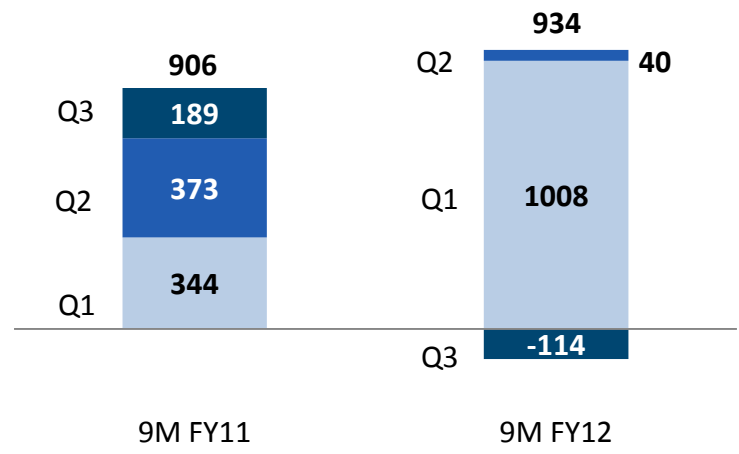
EBITDA

US\$ mn



PAT *

US\$ mn

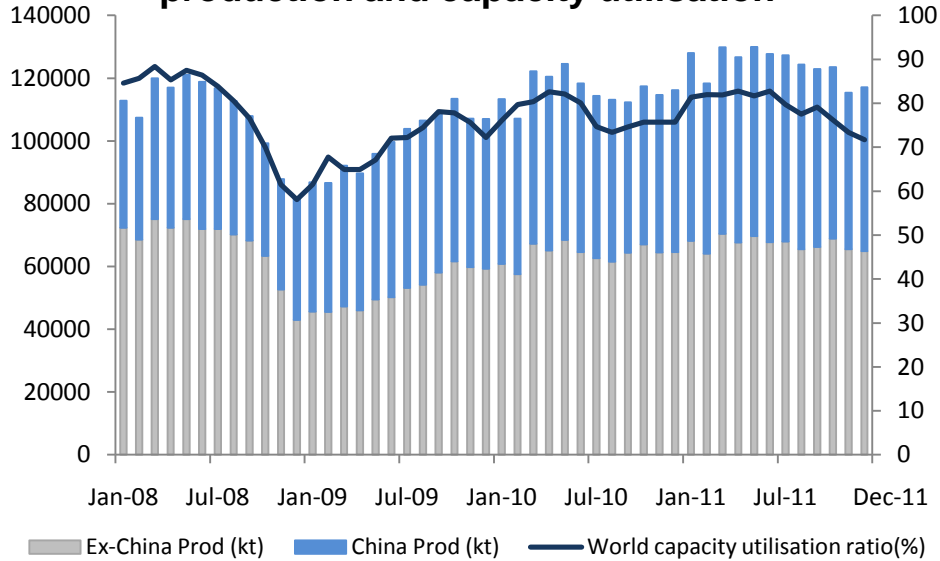


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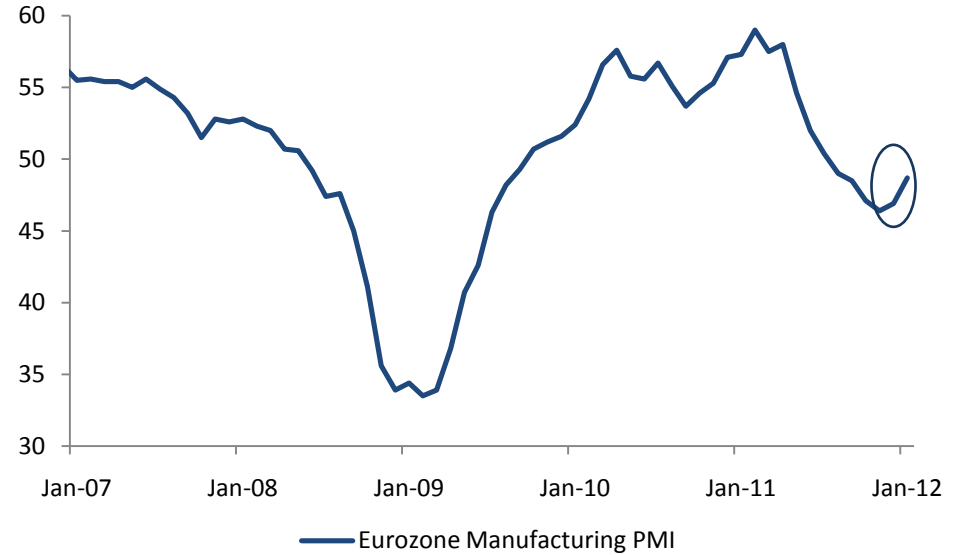
Economic indicators showing signs of improvement



China and ex-China crude steel production and capacity utilisation



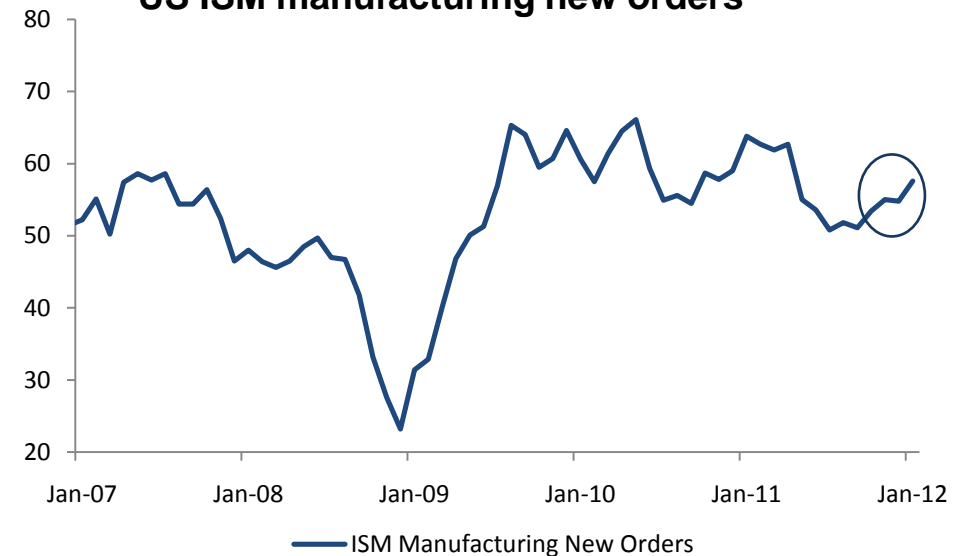
Eurozone manufacturing PMI



IFO business expectations



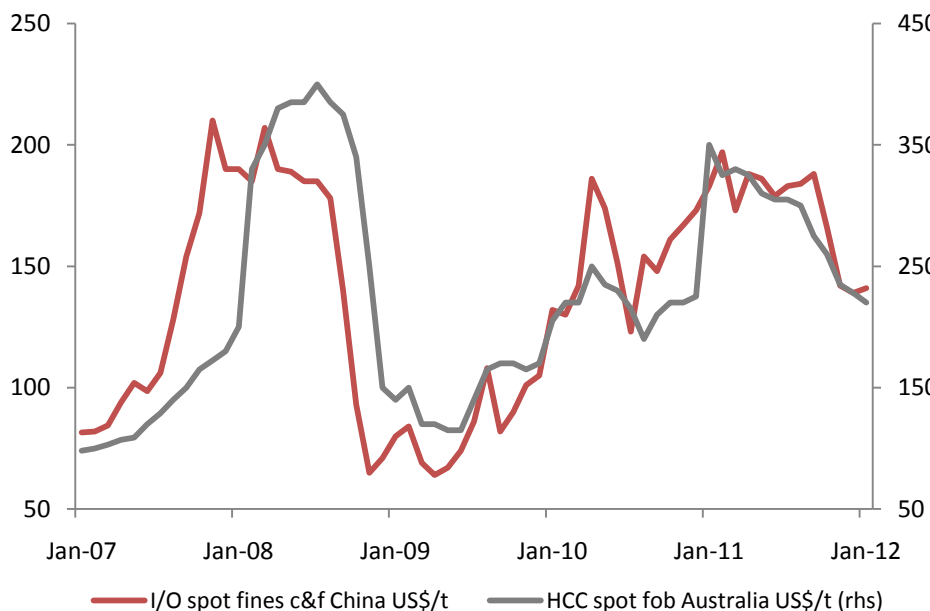
US ISM manufacturing new orders



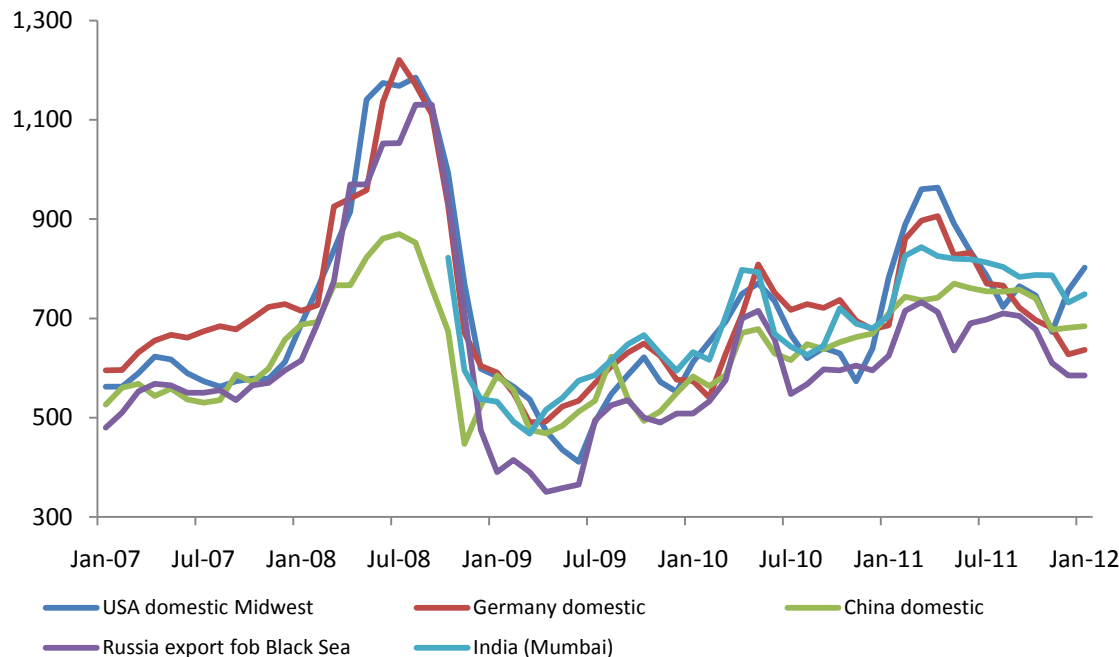
Raw materials and steel prices



Iron ore and coking coal prices have softened



HRC spot prices, US\$/tonne



- Decline in raw material prices would ease pressure on margins in the subsequent quarters
- Steel prices are showing improving trend worldwide – to support raw material prices

Agenda

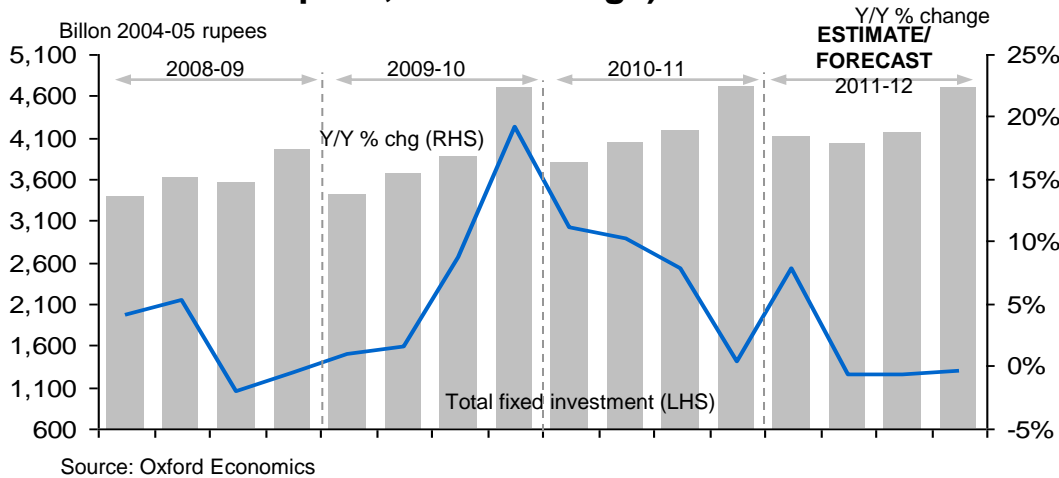


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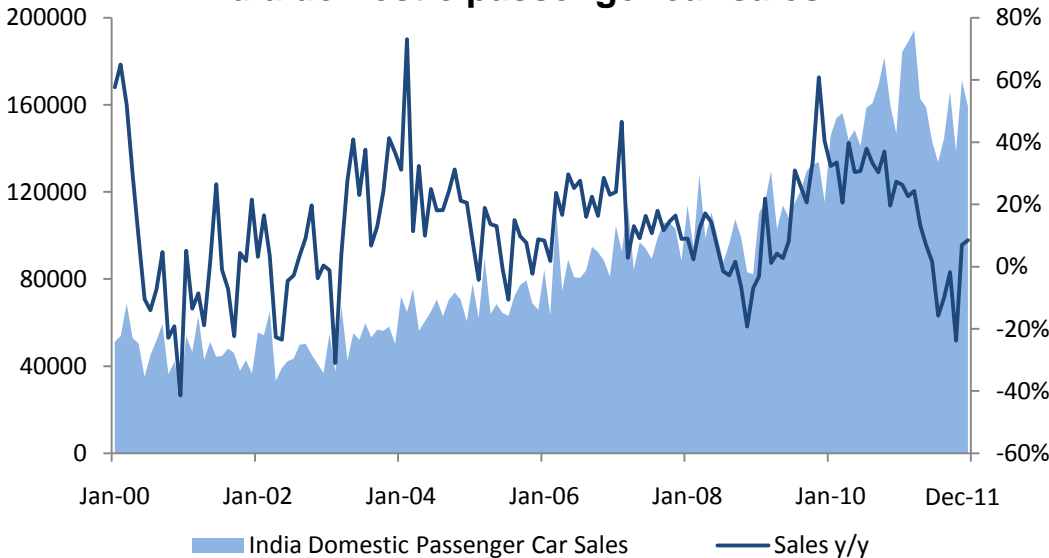
Indian steel market



Indian total fixed investment (billion 2004-05 Rupees, Y/Y % change)



India domestic passenger car sales



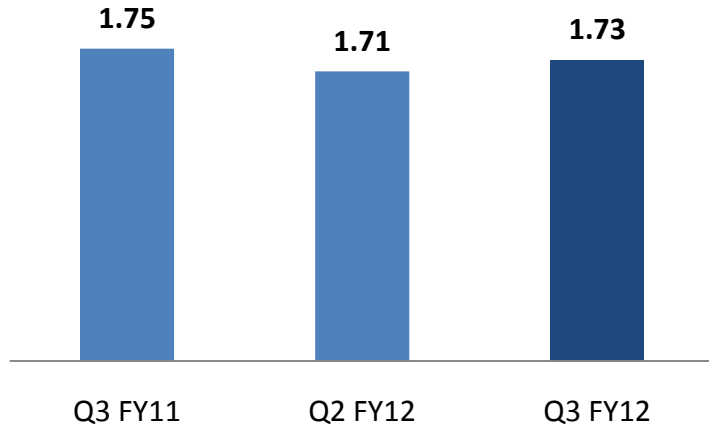
- Indian steel demand has remained soft, however pro-growth policies of RBI may boost demand going forward
- Passenger car sales is back on growth path while commercial vehicle sales continue to grow steadily
- Higher fixed asset investment expected on monetary easing

Performance – Tata Steel India



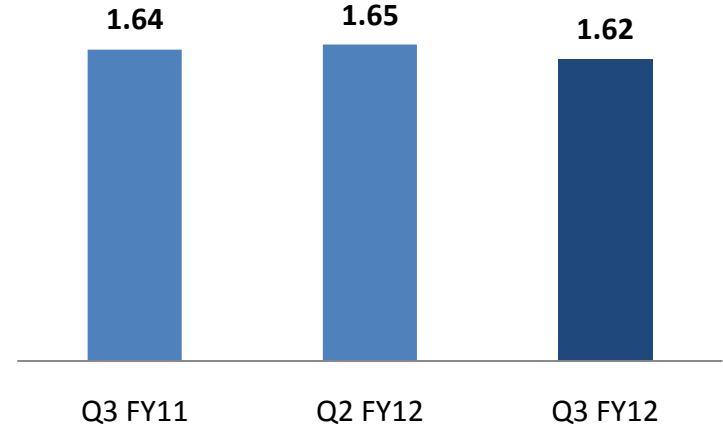
Production

Mn T



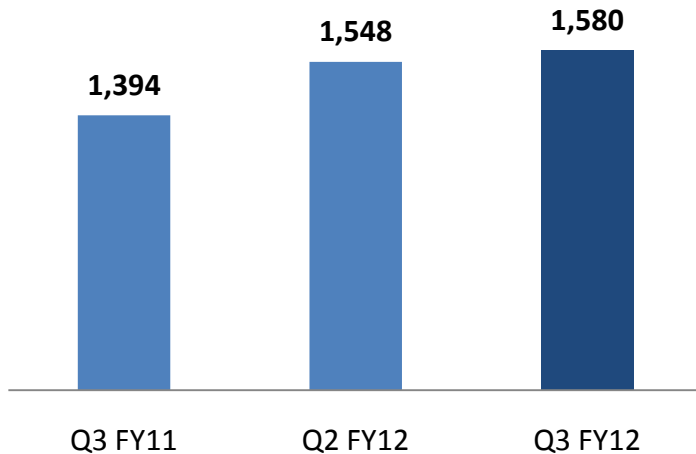
Deliveries

Mn T

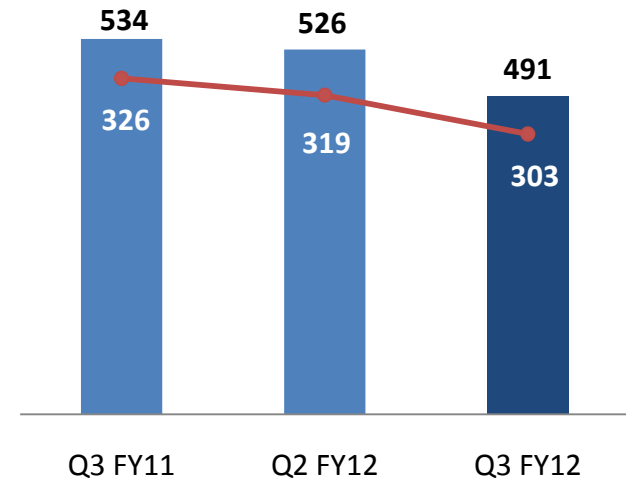


Turnover

US\$ mn

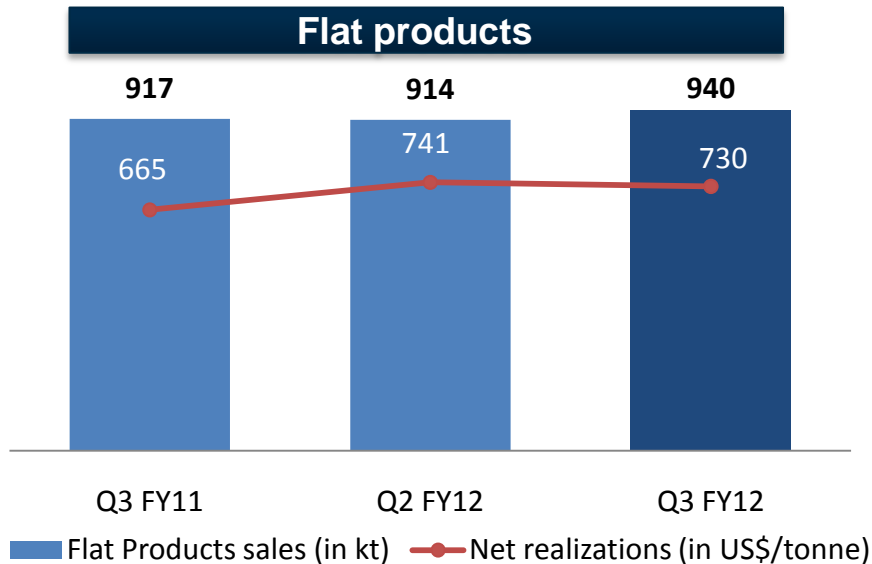


EBITDA & EBITDA/Tonne

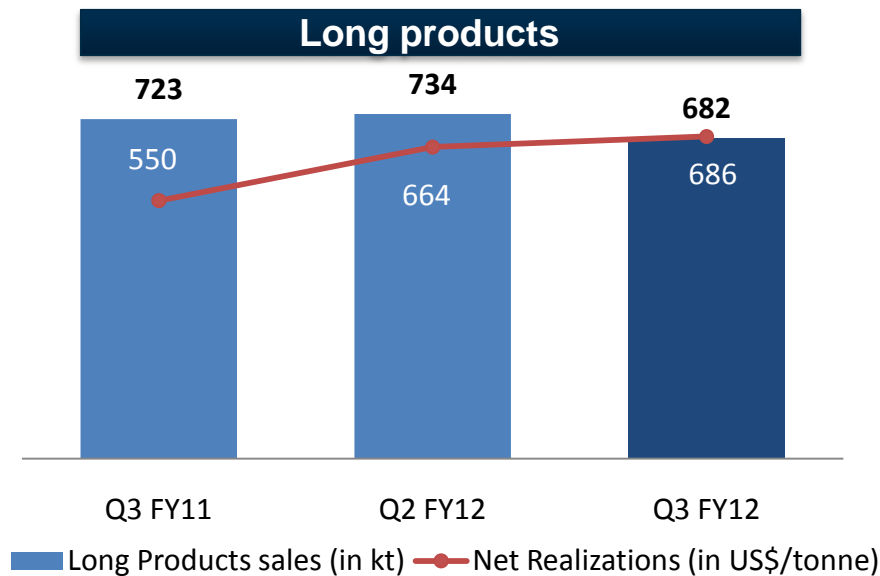


■ EBITDA (US\$ Mn) ● EBITDA/t (US\$)

Operating performance – Tata Steel India

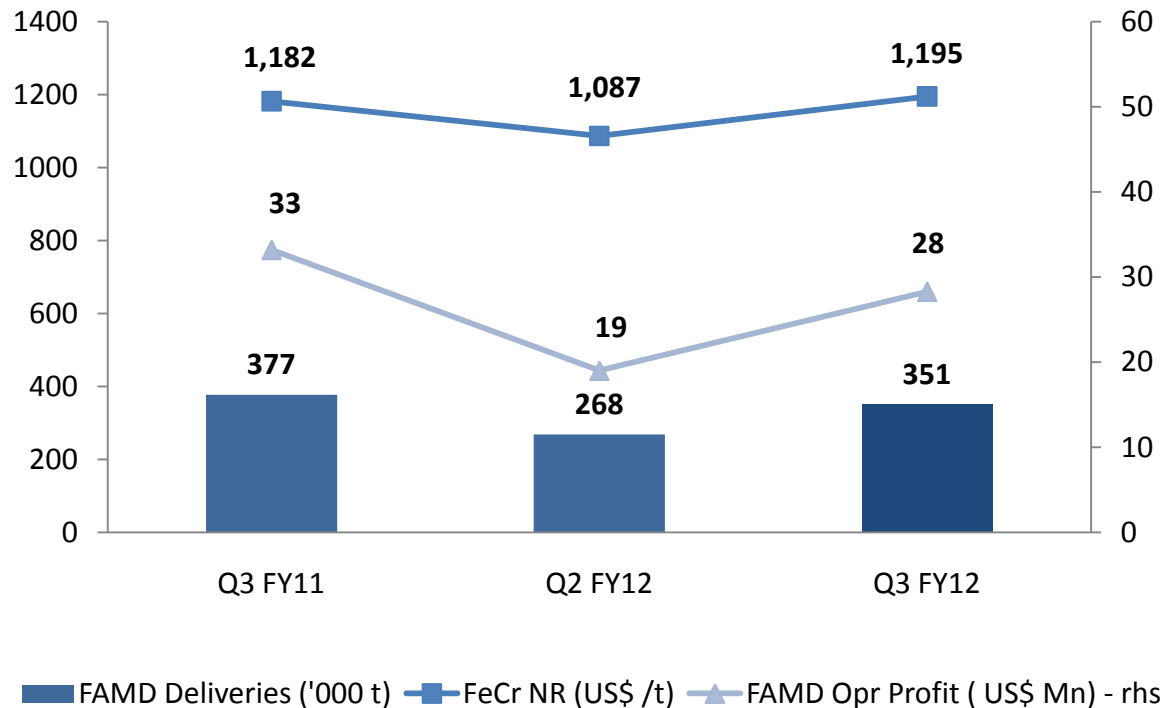


- Flat products volume increased 3% y-o-y in line with increase in production volume
- Long products sales dropped in Q3 FY12 due to lower availability of semis on account of planned shutdowns



- Overall net realisations were higher due to increased retail sales and favourable sales mix in Longs

Quarterly deliveries, net realisation and operating profit



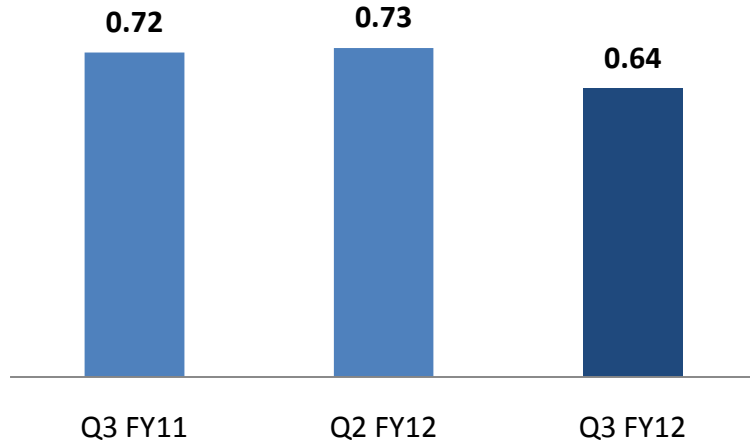
- Higher production in ferro chrome conversion units resulted in higher ferro alloys sales
- Increased domestic market focus led to improved realisation in Q3 FY'12
- Stainless steel capacity utilization in EU and Japan currently less than 60%, expected to improve

Performance – South East Asia



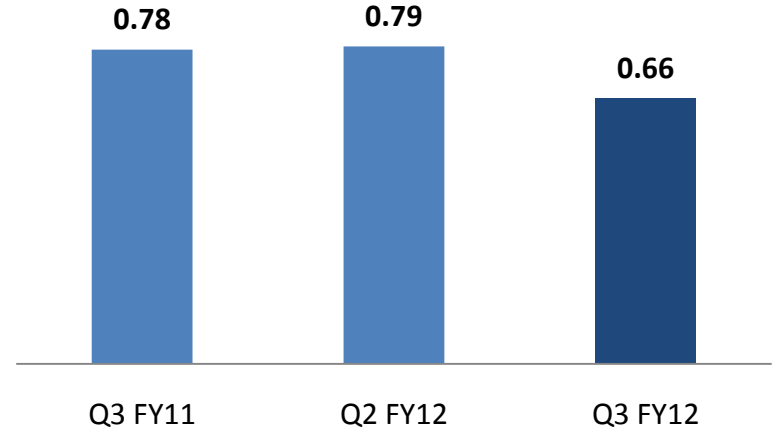
Production

Mn T



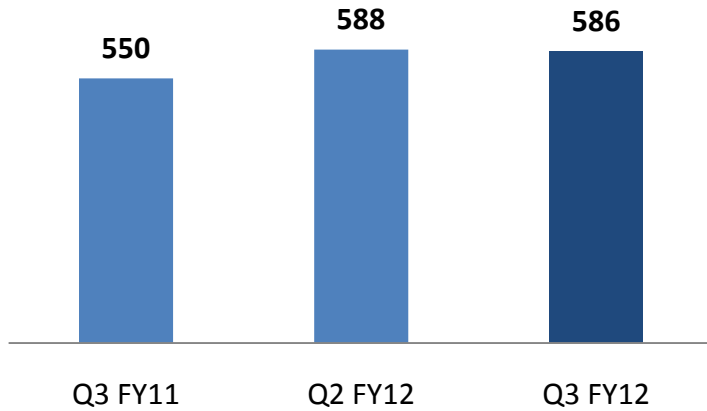
Deliveries

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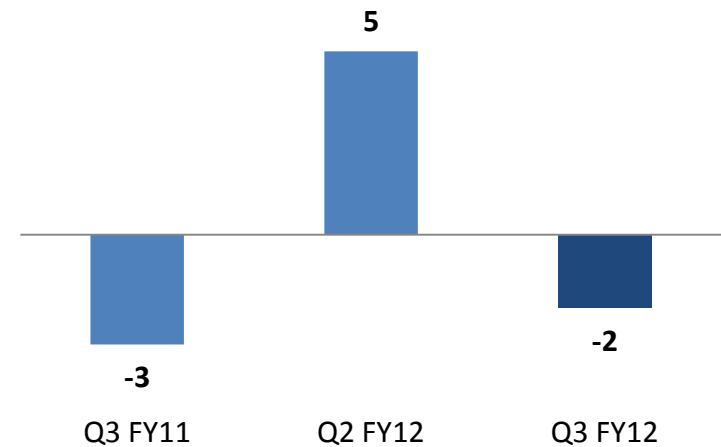
Turnover

US\$ mn



EBITDA

US\$ mn



Updates on South East Asian operations



NatSteel Holdings

- Singapore performed better on account of better scrap-rebar gap management and its conversion cost reduction programme. Downstream sales were best ever.
- Order book expanding in Singapore. Key MRT and Housing Board Projects are underway
- Furnace upgrade by Dec'12 will result in both productivity enhancement and power cost savings
- Overseas operations should report improved performance in the coming quarters with pick up in construction demand and reduction in input costs

Tata Steel Thailand

- Construction industry contracted by 10.4% Q-o-Q in Q3FY12 due to severe floods. Expected to grow by 5-10% in FY12-13.
- Strengthening of the regional distribution channel by appointing 33 new dealers – led to sales of 22kt; 36% higher than last quarter
- Launch of TATA TISCON brand met with encouraging response
- Launched Special Bar Quality (SBQ), a new product for the automotive segment
- Continued focus on mix enrichment led to higher sales of Special Wire Rods in Q3 FY'12

Agenda

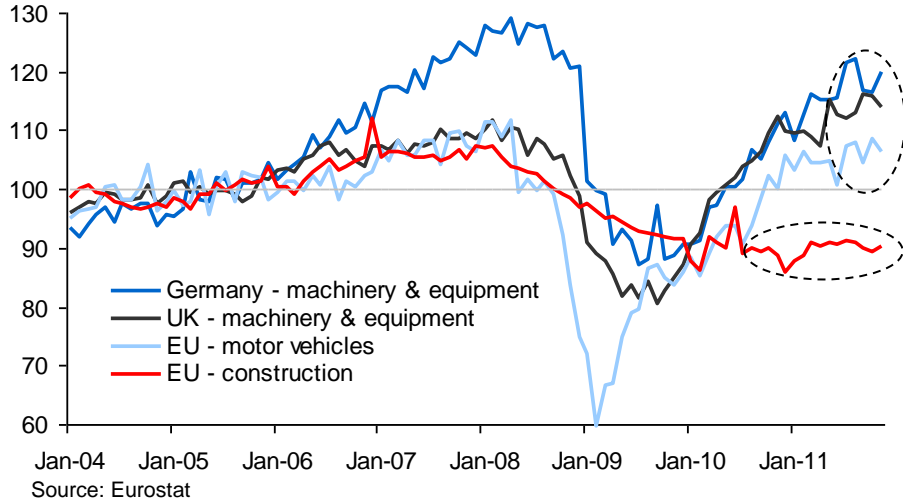


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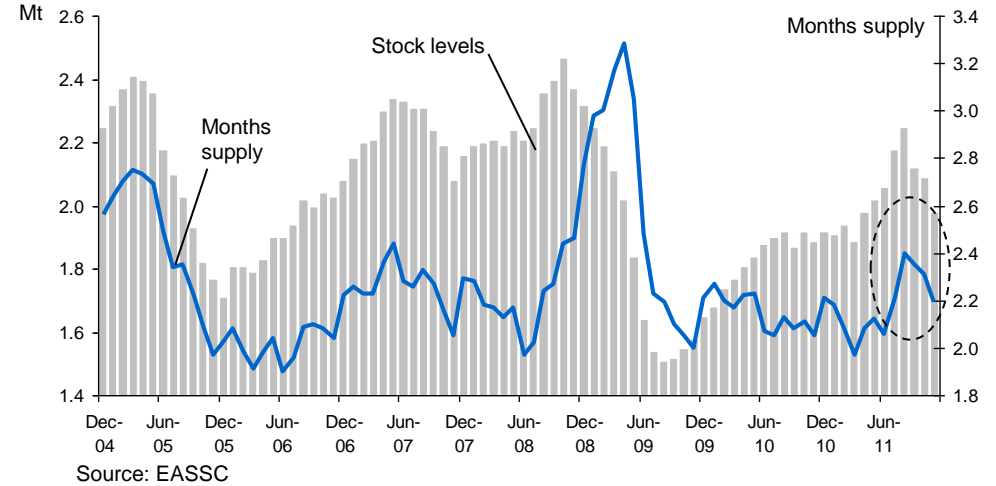
European Steel Market – Output in steel using industries continue to grow, except construction



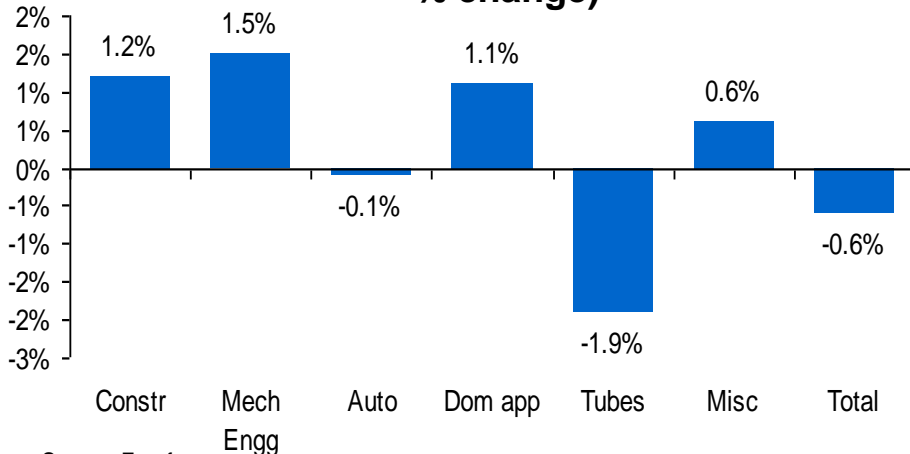
Steel using sector output (index 2005 = 100)



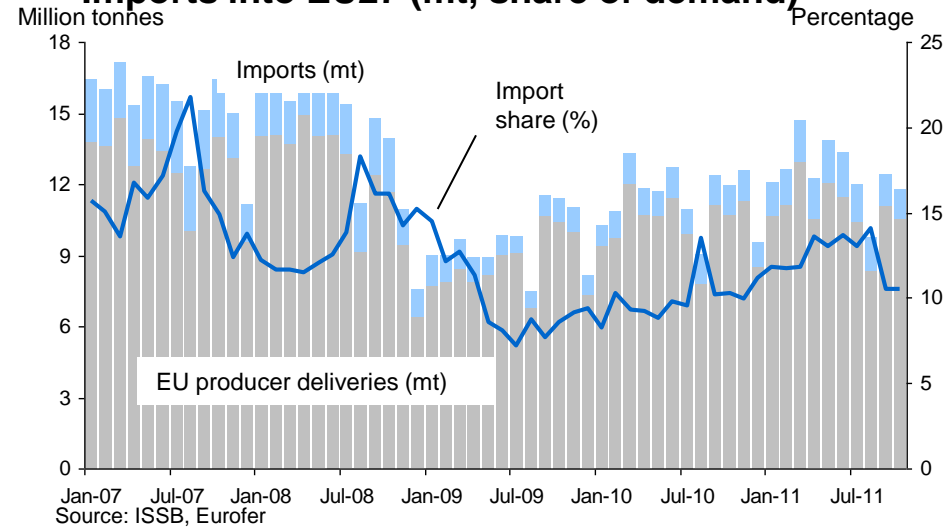
European Steel Service Centre Stocks (mt, months of supply)



Eurofer EU sector forecasts 2012 (Y/Y % change)



Imports into EU27 (mt, share of demand)

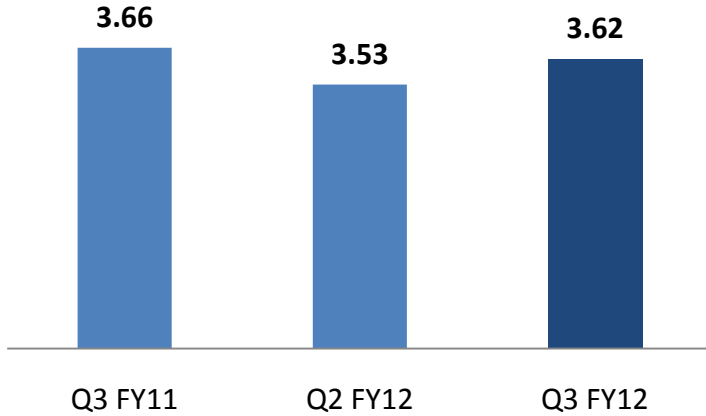


Performance – Tata Steel Europe



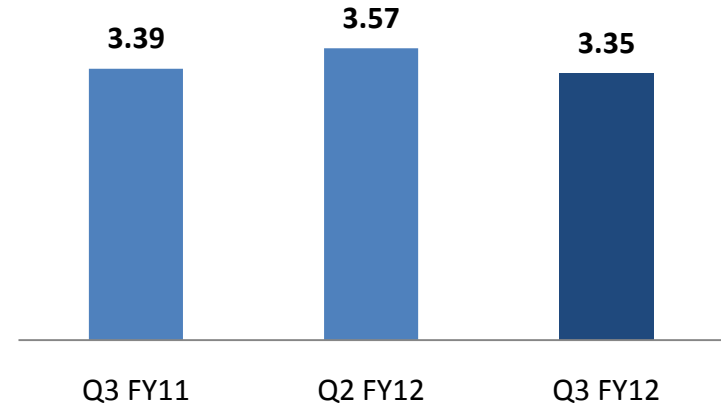
Production

Mn T



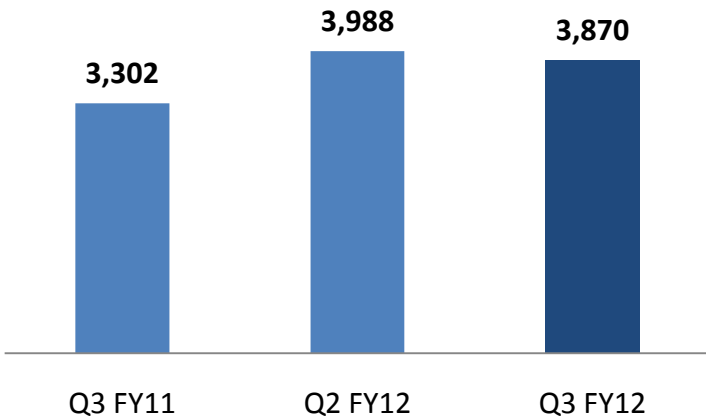
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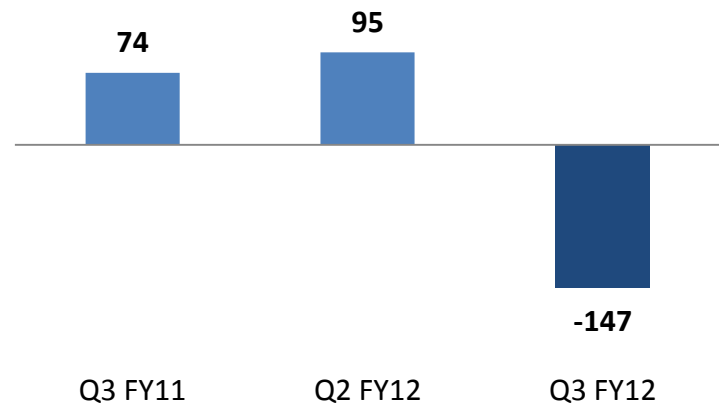
Turnover

US\$ mn



EBITDA

US\$ mn



Major changes already started

- Future profitability of Europe dominated by focussed investment (such as energy efficiency) and reduced cost base in steelmaking hubs
- Announced turnaround ahead of the current crisis, to ensure our recovery is timed to the market and our flexibility is maximised
- Long Products restructuring, IJmuiden '**Work Better**' programme and heavy end developments in Port Talbot progressing as planned

Mid and downstream

- Our mid and downstream units remain fundamental to our customer priorities and differentiation strategy
- Identified many opportunities to reduce conversion costs, such as reshaping to changes in customer demand
- Construction Products closure in Q2, Llanwern Hot Mill mothball in Q3, Tubes reorganisation in Q4

Reaction to short term 'crisis'

- In addition we have launched a **Step Up and Save** campaign to reduce costs by c.US\$130m, including raw material improvements and efficiency in our spares utilisation; Working Capital Management a focus area
- Long term strategy on customer focus (including new automotive grades and customer qualifications) operational excellence (such as coke replacement and low coking coal qualities) is starting to deliver results

Long Products Restructuring Update



Key physical changes

- Queen Bess Blast Furnace taken out of production in Sept 2011; Bloom 750 caster closed in Oct 2011 – both two weeks ahead of original plan
- Bloom and Billet Mill closed since mid October '11

Employment cost transformation

- Manpower reduced from 7,223 to 6,683 by end of December 2011
- Manpower to be further reduced to 5,750 by end of March 2012 as de-manning programme is progressed

Overall cost reduction

- All progress on track to deliver fixed cost reduction initiatives and launch further actions to reach the £130m EBITDA improvement commitment

Investments and commercial

- Cost/price relationship remains a challenge; enriched sales mix expected to create benefits of £50m over the next 12 months
- Full exploitation of Dalzell and Hayange investments are bringing immediate market benefits
- Wind tower plate order win for 25kt
- Enhanced sales to Lifting & Excavating segments



Outlook for Tata Steel in Europe



Raw material situation

- Raw material purchasing prices have eased in Q3, with some suppliers moving to an intra-quarter pricing mechanism
- Reduced lag between pricing and income statement impact, but not eliminated altogether; should improve the margin spread at end Q4
- Some evidence of seasonal supply issues starting to impact availability and therefore pricing

Market confidence and pricing

- Confidence across much of the Eurozone remains low, although some core markets such as Germany have underlying demand
- However end-user pricing is improving in most order books towards the end of Q4 as re-stocking makes a limited impact

Operational stability

- Strip Products UK production stability remains critical; No. 4 furnace is being managed towards the end of its campaign
- No. 5 furnace will be subject to mid campaign repair in fiscal Q4, to ensure readiness for short term one furnace operation in 2012
- Pickling and associated operations in both Strip Products hubs are now returning to full capability levels

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Group financial performance – Q3 FY12



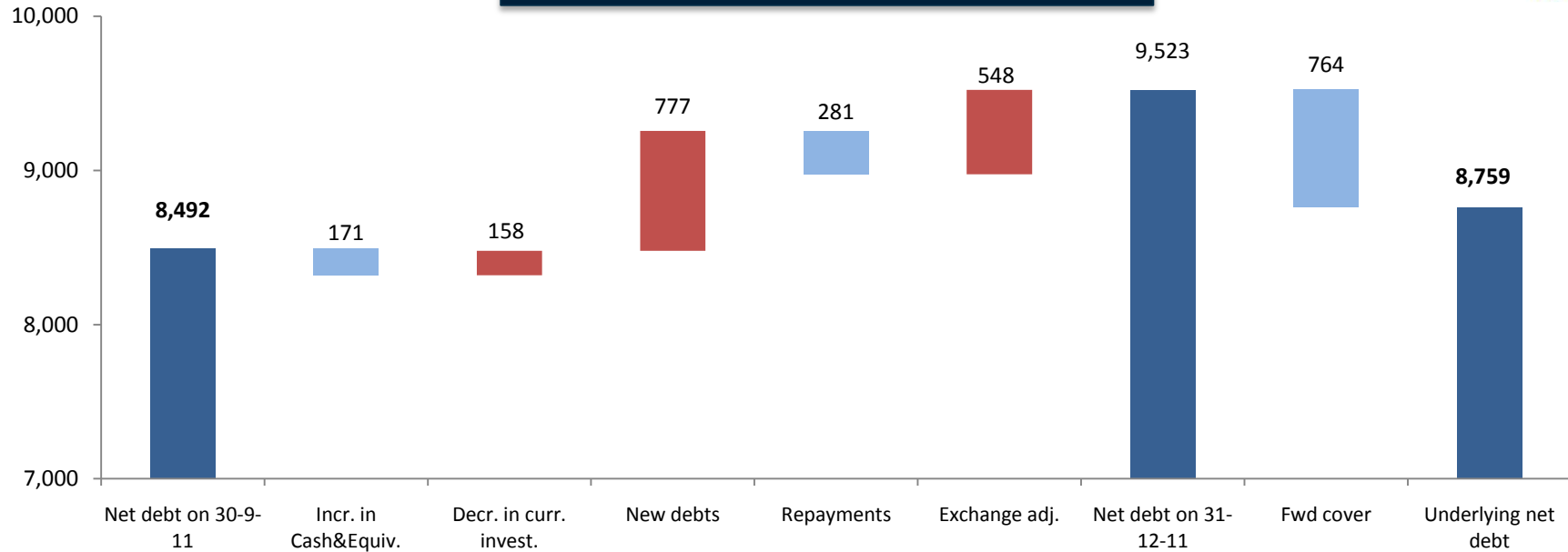
Figures in US\$ mn unless specified

	Q3 FY12			Q3 FY11	
	Tata Steel India	Tata Steel Europe	South East Asia	Tata Steel Group (*)	Tata Steel Group (*)
Deliveries (Mn T)	1.62	3.35	0.66	5.84	5.90
Turnover	1,580	3,870	586	6,239	5,482
Reported EBITDA	491	(147)	(2)	366	636
Add: Net Realizable Value (NRV) Provisions	-	143	-	-	-
Adjusted EBITDA	491	(4)	(2)	366	636
Reported EBITDA Margin (%)	31	(4)	-	6	12
Adjusted EBITDA/tonne (US\$)	303	(1)	(3)	63	108
				Q3 FY12	Q3 FY11
Profit Before Tax				(3)	296
Profit After Tax & Minority Interest				(114)	189

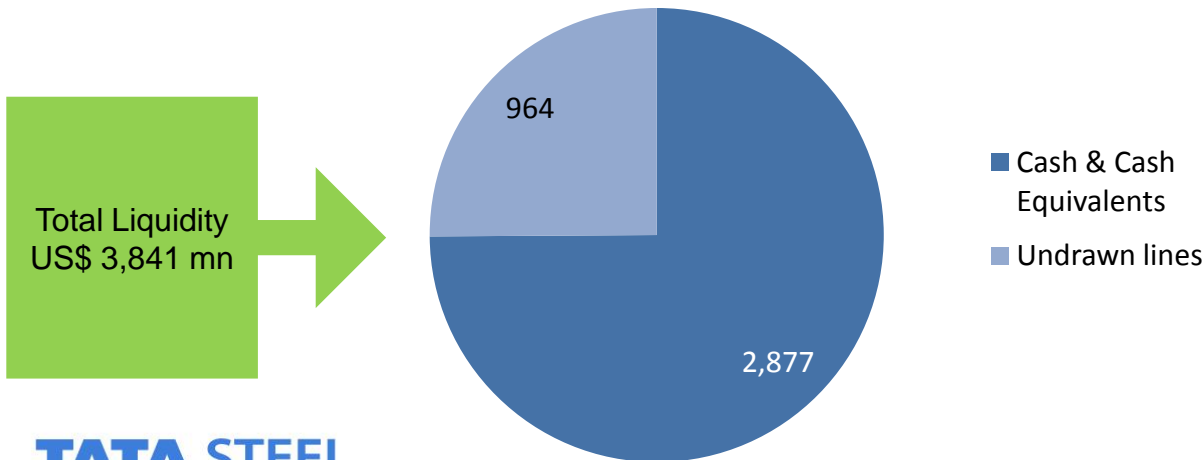
Net debt movement and liquidity position



Net debt movement (US\$ mn)



Liquidity position (US\$ mn)



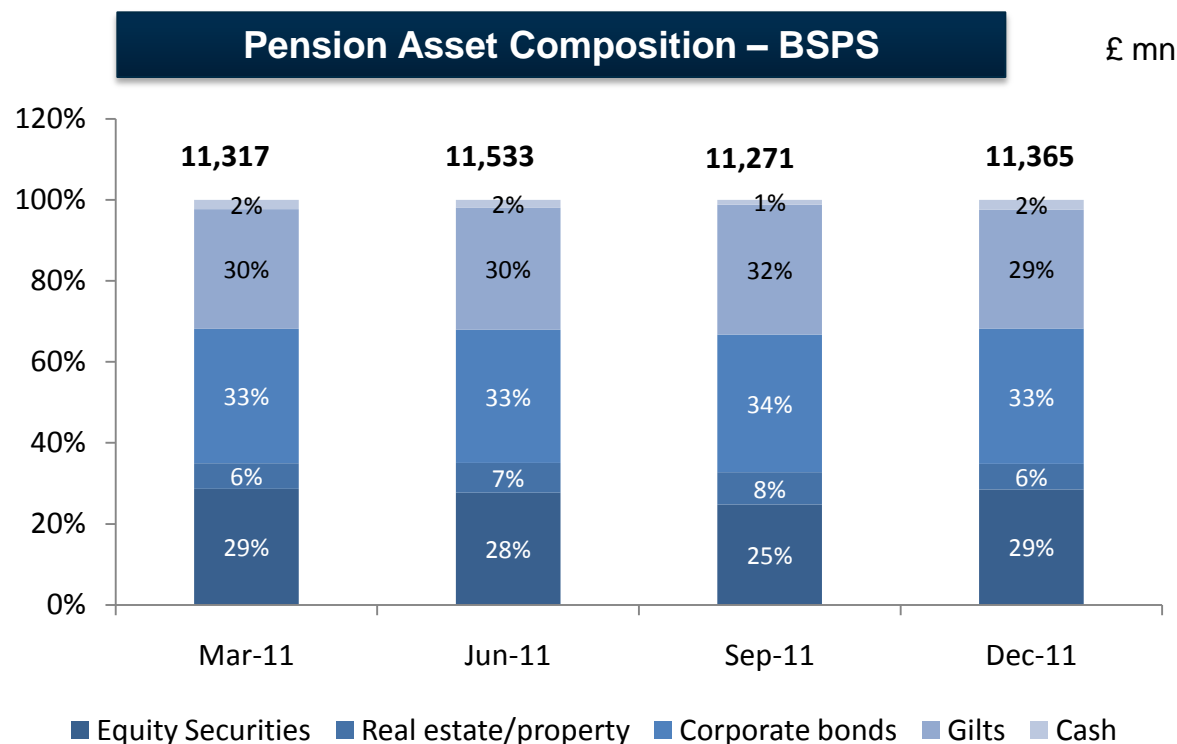
Capex incurred during the quarter:
US\$596 mn

Pensions Management – European Operations



Figures in £ mn

	Mar-11	Jun-11	Sep-11	Dec-11
Total Scheme Retirement Benefit Assets	16,090	16,401	16,164	16,817
Total Scheme Retirement Benefit Liabilities	(15,743)	(16,051)	(16,058)	(16,727)
Net Pension Surplus (BSPS & SPH)	347	350	106	90



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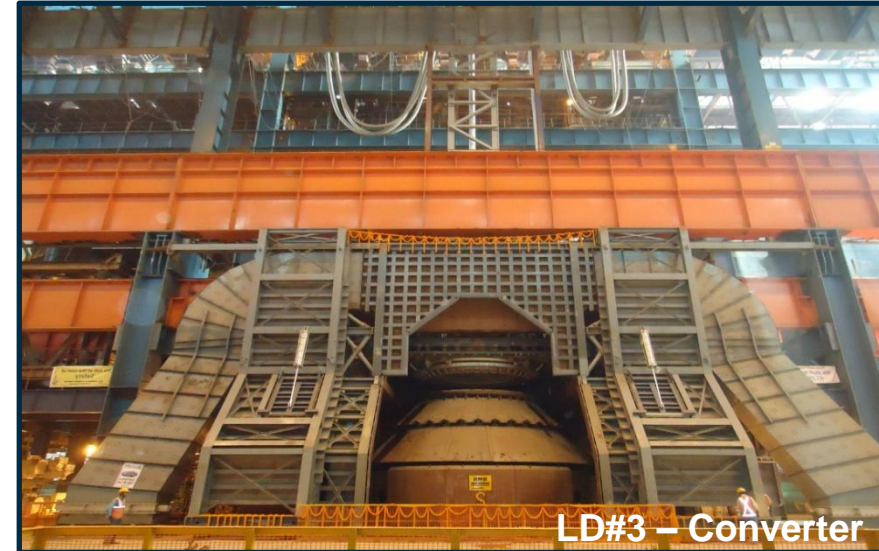


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Jamshedpur expansion update



- Equipment erection of Blast Furnace completed and other related facilities like Blowers nearing completion
- Integrated trial of Converter and TSCR Mill is in progress
- Ladle Furnace No. 2 & Hot Metal De-sulphurisation Station No. 1 hot commissioned
- Bedding and Blending plant at Noamundi commissioned in Dec'11
- The first rake of blended fines for pellet plant was loaded at Noamundi through new Rapid Loading System, reached Jamshedpur in January'12



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- Steel demand in India is expected to improve with RBI indicating pro-growth monetary policy. Prices are firm and with traditionally strong volumes in the fourth quarter, profitability should improve
- Outlook for steel demand in Europe remains stable, however strengthening prices and restocking should result in better margins in coming quarters
- SE Asian operations should perform better with activities in Thailand coming back to normal. Reconstruction activities should boost long products demand
- Softening raw material prices is expected to ease product costing pressures from Q4 FY'12 onwards

Thank You