



For immediate use **NEWS RELEASE**

November 10, 2011

## **Tata Steel reports Consolidated Financial Results for the first half and second quarter ending September 30, 2011**

### **Performance Highlights:**

- Turnover at **Tata Steel in India** of ₹16,072 crores (US\$3.28 billion) in H1 FY'12 was up 17.7% from the ₹13,658 crores (US\$2.79 billion) in H1 FY'11. Q2 sales of ₹8,212 crores (US\$1.68 billion) were up 15.5% from the ₹7,107 crores (US\$1.45 billion) of Q2 FY'11 and up 4.5% from the ₹7,860 crores (US\$1.61 billion) of Q1 FY'12.
- **Tata Steel** posted EBITDA in India of ₹6,449 crores (US\$1.32 billion) in H1 FY'12, up 1.9% from ₹6,327 crores (US\$1.29 billion) in H1 FY'11. Q2 EBITDA of ₹2,793 crores (US\$570 million) was down 16.9% from the ₹3,362 crores (US\$686 million) of Q2 FY'11 and down 23.6% from the ₹3,656 crores (US\$747 million) of Q1 FY'12.
- Turnover at **Tata Steel's European** operations of ₹41,695 crores (US\$8.51 billion) in H1FY12 was 19.7% up from the ₹34,834 crores (US\$7.11 billion) in H1FY11. Q2 sales of ₹21,160 crores (US\$4.32 billion) were 19.0% up from the ₹17,787 crores (US\$3.63 billion) of Q2 FY'11 and 3.0% up from the ₹20,535 crores (US\$4.19 billion) of Q1 FY'12.
- **Tata Steel in Europe** posted EBITDA of ₹2,412 crores (US\$493 million) in H1FY12, 8.0% up from ₹2,234 crores (US\$456 million) in H1FY11. Q2 EBITDA of ₹505 crores (US\$103 million) was 42.8% down from the ₹883 crores (US\$180 million) of Q2 FY'11 and 73.5% down from the ₹1,907 crores (US\$389 million) of Q1 FY'12, which included the Teeside Cast Products settlement credit of ₹685 crores (US\$140 million).
- **Tata Steel Group's Profit after tax** (after minority interest and share of profit of associates) during the first half of the financial year 2011-12 (H1 FY'12) was ₹5,559 crores (US\$1,135 million) compared to a profit of ₹3,804 crores (US\$777 million) in the first half of the financial year 2010-11 (H1 FY'11), an increase of ₹1,755 crores (US\$358 million). Tata Steel Group's Profit after tax for Q2 FY'12 at ₹212 crores (US\$43 million) fell from the profit of ₹1,979 crores (US\$404 million) in the corresponding period of the previous year (Q2 FY'11).
- **Group EBITDA** in H1 FY'12 was ₹11,302 crores (US\$2.31 billion) compared to ₹9,024 crores (US\$1.84 billion) in H1 FY'11. Group EBITDA in Q2 FY'12 at ₹2,944 crores (US\$601 million) was 34.5% lower than the ₹4,497 crores (US\$918 million) recorded in Q2 FY'11. The Group EBITDA in Q2 FY'12 declined on account of higher global raw materials costs and lower average selling prices at Tata Steel Europe.



For immediate use **NEWS RELEASE**

- **Group consolidated turnover** in H1 FY'12 of ₹65,798 crores (US\$13.44 billion) was 17.8% up from the ₹55,840 crores (US\$11.40 billion) in H1 FY'11. The consolidated turnover at ₹32,798 crores (US\$6.7 billion) in Q2 FY'12 was 14.5% up from the ₹28,646 crores (US\$5.85 billion) in Q2 FY'11.
- **The Group's steel deliveries** in H1 FY'12 rose by 1.8% to 12.17 million tonnes compared to 11.96 million tonnes in H1 FY'11. Steel deliveries increased by 0.8% to 6.11 million tonnes in Q2 FY'12 from the 6.06 million tonnes recorded in Q2 FY'11. Deliveries from Tata Steel India and NatSteel Holdings grew, whereas Tata Steel Thailand's operations were affected by adverse weather conditions.
- **Net debt** at the end of September 2011 was ₹45,056 crores (US\$9.2 billion) compared to ₹46,627 crores (US\$9.5 billion) at the end of March 2011.

**Financial Performance Analysis:**

**Consolidated Financial results summary (under Indian GAAP) for the six months ended September 2011**

All figures in US\$ million, unless specified

H1 FY'12	H1 FY11	HIGHLIGHTS	Q2 FY'12	Q2 FY'11	Q1 FY'12
12.17	11.96	Steel Deliveries (Mn tons)	6.11	6.06	6.06
13,436	11,403	Turnover	6,698	5,850	6,739
2,308	1,843	EBITDA	601	918	1,707
17.2	16.2	EBITDA Margin (%)	9.0	15.7	25.3
461	433	Depreciation	226	220	235
297	258	Net Finance Charges	146	136	151
1,524	1,124	Profit before Taxes (after Exceptional Items)	214	554	1,310
11.3	9.9	PBT Margin (%)	3.2	9.5	19.4
1,135	777	Profit after Taxes, Minority Interest and Share of Associates	43	404	1,092
8.4	6.8	PAT Margin (%)	0.6	6.9	16.2

**For the purposes of converting all financial numbers to US\$ for all comparable periods, a US\$/₹ exchange rate of 48.97 has been used throughout this document.**

**Executive Comment**

Tata Steel Managing Director Mr HM Nerurkar said: "Tata Steel's Indian operations performed strongly despite the overall soft market situation. The continued interest rate hikes impacted steel demand growth, but the Company sequentially increased sales volumes due to enhanced market



For immediate use **NEWS RELEASE**

reach and customer focus. Higher raw material prices and adverse currency movements impacted profits in Q2 FY'12, but the focus on company-wide cost saving initiatives yielded desired results. We remain committed to commission the 2.9mtpa expansion in Jamshedpur in the last quarter of this fiscal year and we are making good progress on the greenfield project in Odisha. Efforts to reinvigorate the South East Asian operations are continuing through new product launches, branding initiatives, increased market access and improvements in operating parameters.”

Tata Steel Europe MD & CEO Dr Karl-Ulrich Köhler said: “Higher raw material costs and lower average selling prices made the normally quiet summer quarter particularly testing. Despite these headwinds, Tata Steel in Europe succeeded in matching the delivery volumes achieved in Q1. The actions taken after 2008 to weather the financial crisis has strengthened the European operations’ ability to cope with market disturbances. The restructuring and performance improvement initiatives that we launched in the first half will build on that progress and yield further competitive edge. Our focus on product and service innovation is also achieving breakthroughs in pursuit of our mission to be the long-term preferred partner of customers in our chosen markets.”

#### **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.

*For investor enquiries contact:*

**Praveen Sood**

Tel: + 91 22 6665 7306

e-mail: p.sood@tatasteel.com

**Subhra Kanti Das**

Tel: + 91 22 6665 7382

e-mail: subhra.das@tatasteel.com

*For media enquiries contact:*

**Bob Jones**

Tel: + 44 207 717 4532

e-mail: bob.jones@tatasteel.com

**Prabhat Sharma**

Tel: + 91 657 242 5216

e-mail: prabhat.sharma@tatasteel.com