November 9, 2012

Tata Steel reports Consolidated Financial Results for the half year and second quarter ended September 30, 2012

Group Performance Highlights:

- **Tata Steel Group’s profit after tax** (after minority interest and share of profit of associates) for the first half of the financial year 2012-13 (H1 FY’13) was ₹234 crores (US$44 million) compared to the profit of ₹5,559 crores (US$1.05 billion) in the first half of the previous year (H1 FY’12). The H1 FY’12 profits included one-off profits of ₹3,362 crores (US$636 million) on sale of investments and ₹685 crores (US$130 million) from the TCP arbitration settlement. The Group recorded a loss of ₹364 crores (US$69 million) in Q2 FY’13 compared to the profit of ₹598 crores (US$113 million) in Q1 FY’13 and profit of ₹212 crores (US$40 million) in Q2 FY’12.

- **Group EBITDA** in H1 FY’13 was ₹6,034 crores (US$1.14 billion) compared to ₹8,092 crores (US$1.53 billion) in H1 FY’12. EBITDA in Q2 FY’13 was ₹2,453 crores (US$464 million) compared to ₹3,581 crores (US$677 million) in Q1 FY’13 and ₹3,021 crores (US$572 million) in Q2 FY’12.

- **Group consolidated turnover** of ₹67,954 crores (US$12.86 billion) in H1 FY’13 was up by 3.3% from ₹65,798 crores (US$12.45 billion) in H1 FY’12. Q2 FY’13 turnover was ₹34,133 crores (US$6.46 billion), up by 0.9% from ₹33,821 crores (US$6.4 billion) in Q1 FY’13 and up by 4.1% from ₹32,798 crores (US$6.21 billion) in Q2 FY’12.

- **The Group’s steel deliveries** in H1 FY’13 declined by 3.5% to 11.74 million tonnes compared to 12.17 million tonnes in H1 FY’12. Deliveries in Q2 FY’13 increased by 6.9% to 6.07 million tonnes versus 5.68 million tonnes in Q1 FY’13 but were down by 0.8% from 6.11 million tonnes in Q2 FY’12.

- **The Indian operations** performed steadily with H1 FY’13 turnover of ₹18,059 crores (US$3.42 billion) and EBITDA of ₹5,459 crores (US$1.03 billion). Q2 FY’13 EBITDA was ₹2,669 crores (US$505 million) and deliveries increased to 1.73 million tonnes.

- **The European operations** suffered from the market slowdown and lower steel prices. H1 FY’13 turnover was ₹40,720 crores (US$7.7 billion) and EBITDA was ₹580 crores (US$110
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million. Q2 FY’13 EBITDA was a loss of ₹40 crores (US$8 million) with deliveries of 3.42 million tonnes.

- **Net debt** at the end of September 2012 increased to ₹55,167 crores (US$10.44 billion) compared to ₹47,657 crores (US$9.02 billion) at the end of March 2012.

Financial Performance Analysis:

Consolidated financial results summary (under Indian GAAP) for the half year and second quarter ended 30 September 2012

All figures in US$ million, unless specified

<table>
<thead>
<tr>
<th>H1 FY’13</th>
<th>H1 FY’12</th>
<th>HIGHLIGHTS</th>
<th>Q2 FY’13</th>
<th>Q1 FY’13</th>
<th>Q2 FY’12</th>
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</thead>
<tbody>
<tr>
<td>11.74</td>
<td>12.17</td>
<td>Steel Deliveries (Mn tons)</td>
<td>6.07</td>
<td>5.68</td>
<td>6.12</td>
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<tr>
<td>12,857</td>
<td>12,449</td>
<td>Turnover</td>
<td>6,458</td>
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<tr>
<td>1,142</td>
<td>1,531</td>
<td>EBITDA</td>
<td>464</td>
<td>677</td>
<td>572</td>
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<tr>
<td>8.9%</td>
<td>12.3%</td>
<td>EBITDA Margin (%)</td>
<td>7.2%</td>
<td>10.6%</td>
<td>9.2%</td>
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<tr>
<td>500</td>
<td>428</td>
<td>Depreciation</td>
<td>253</td>
<td>247</td>
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<td>310</td>
<td>304</td>
<td>Net Finance Charges</td>
<td>163</td>
<td>147</td>
<td>150</td>
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<tr>
<td>315</td>
<td>1,412</td>
<td>Profit before Taxes (after Exceptional Items)</td>
<td>47</td>
<td>268</td>
<td>198</td>
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<tr>
<td>2.4%</td>
<td>11.3%</td>
<td>PBT Margin (%)</td>
<td>0.7%</td>
<td>4.2%</td>
<td>3.2%</td>
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<tr>
<td>44</td>
<td>1,052</td>
<td>Profit after Taxes, Minority Interest and Share of Associates</td>
<td>-69</td>
<td>113</td>
<td>40</td>
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<tr>
<td>0.3%</td>
<td>8.4%</td>
<td>PAT Margin (%)</td>
<td>-1.1%</td>
<td>1.8%</td>
<td>0.6%</td>
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For the purposes of converting all financial numbers to US$ for all comparable periods, a US$/₹ exchange rate of 52.855 has been used throughout this document.

Executive Comment

Tata Steel Managing Director Mr HM Nerurkar said: “The Indian operations continued their steady performance against a backdrop of lacklustre demand in the market place and increasing imports. Ramp-up of the newly expanded capacity at Jamshedpur resulted in increased deliveries in a soft market, primarily because of our focus on the distribution business and customer orientation. The slew of policy announcements by the Government to promote growth augur well for the Indian economy. We are hopeful that these initiatives will ultimately result in increased Government
spending, driving steel demand in the future. The South East Asian operations have responded well to the tough market conditions and are expected to perform better in the coming quarters.”

Dr Karl-Ulrich Köhler, MD & CEO of Tata Steel in Europe, said: “European steel demand and prices have weakened since the spring and this took its toll on our financial performance. Our response has been to accelerate our efforts to reduce those costs that we can influence. We are also bringing forward our new product development schedule and other elements of our market differentiation strategy. We expect the benefits of these actions, aimed at meeting our long-term goal of becoming an ‘all-weather’ business, to be reflected in future performance.”

Corporate Development

The Board of Directors of the Company has appointed Mr. Cyrus P. Mistry as the Deputy Chairman of the Company with immediate effect and Chairman Designate to take over as Chairman from Mr. Ratan N. Tata on his retirement in December 2012.

Further, the Board of Directors has also appointed Mr. Koushik Chatterjee, Group Chief Financial Officer of the Company, as a Whole time Director on the Board of the Company, with immediate effect.

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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