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Certain numbers in this presentation have been rounded off for ease of representation.
Agenda

1. Tata Steel Overview
2. Key Credit Highlights
3. Financial Overview
Tata Group: “Leadership with Trust”

A GLOBAL ENTERPRISE

Highly reputed Group in India with market capitalization of ~USD 152bn(1) (29 listed entities)

100+ operating companies with products & services in 150+ countries

Global leader across several sectors: IT & Communications, Automotive, Consumer Products, Materials, Energy, Chemicals, Services

Over 695,000 employees

Group revenue has grown 17x in the last 21 years - FY17 total revenues over USD 104bn (International revenues ~64% of total)

India’s most valuable brand - “Tata” Brand valued at ~USD 13.1bn by Brand Finance – UK 2017

UNIQUE TRUST STRUCTURE

One of India’s oldest non-sectarian philanthropic organisations

Supporting and driving innovation in the areas like Natural Resources Management, Education, Healthcare, Livelihood, Nutrition, Arts & Culture through grant making, direct implementation and co-partnership

~66% ownership(4)

Tata Sons is the promoter of major operating Tata companies

• Holds stake in operating companies and supports their growth
• Promotes new enterprises

The owner of Tata brand and all Tata trademarks, registered in India and around the world

Select Companies

TATA STEEL
World’s 10th largest integrated steel player(2)

TATA COMMUNICATIONS
World’s #1 international wholesale voice operator

TATA MOTORS
World’s 2nd largest IT services company(3)

TATA POWER
Global player in commercial & passenger vehicles

TATA POWER
India’s largest manufacturer & retailer of branded watches, jewellery and eyewear

TATA POWER
One of India’s largest integrated power and renewable energy company

TATA GLOBAL BEVERAGES
World’s 2nd largest tea manufacturer

TATA CHEMICALS LTD
One of the Asia’s largest and finest group of hotels

Source: Tata group presentation, (1) Bloomberg data as of Jan 11 2018 (2) Worldsteel Association 2016 (3) Basis market cap and profit (4) about 66% of the equity capital of Tata Sons is held by philanthropic trusts endowed by members of the Tata family
Tata Steel Group: Overview

World’s 10th largest integrated steel player(1)

Business Overview

- Geographically diversified steel producer – operations in 26 countries, commercial presence in 50+ countries
- Current Crude steel production capacity of c.27.5 MTPA
- Employee strength of 70,000+ across the world(4)
- Significant market positions in India and Europe with diversified product base targeting multiple end user segments
- Highly integrated and profitable India operations
- FY17 consolidated revenues from operations: c. USD18bn(2)
- Current market capitalization: USD11.8bn(3)

Global scale of Operations

India

- Crude Steel Capacity: 12.7 MTPA
- 5.0 MTPA Brownfield expansion project announced
- Product portfolio: Flats (HR, CR, Galvanised, Coated), Long (Wire Rods, Rebar), Wires and Tubes
- Large producer of ferro chrome in India
- Raw material linkage – 100% integration in iron ore and ~36% integration in coking coal(4)

Europe

- Liquid steel capacity of 12.4 MTPA(5)
  - Ijmuiden, Netherlands: 7.3 MTPA
  - Port Talbot, UK: 5.1 MTPA
- Product Portfolio: Strip Products (HR, CR, Galvanised, Coated, Plated & Precision), Tubes, Electrical steel
- MoU with thyssenKrupp to form 50:50 JV in Europe – would create sustainable and 2nd largest steelmaker in Europe

South East Asia

- Steel Making Capacity of 2.2 MTPA across Singapore (Natsteel) and Thailand (Tata Steel Thailand)
- Product portfolio: Rebars, Wires and Wire Rods, Semi-finished steel
- Strong presence in downstream long steel operations in South East Asia

Source: Company filings
(1) Worldsteel Association 2016
(2) FX: USD 1 = INR 65.28
(3) Bloomberg data as on Jan 11 2018
(4) As of H1FY18
(5) Production capacity based on maximum possible steel production in FY17 considering upstream & downstream bottlenecks, assuming full manning of facilities and including any plant mothballed

Tata Steel Overview
Agenda

Tata Steel Overview

Key Credit Highlights

Financial Overview
Tata Steel Group: Credit Highlights

1. Tata Steel: Flagship company of Tata Group
2. Riding the global steel upcycle and economic growth momentum in India
3. Focus on India growth through organic and inorganic routes
4. De-risking the business volatility with enhanced portfolio of value added products
5. Sustainable and highly cost efficient operations in India
6. Strategic consolidation being pursued in Europe through JV with thyssenkrupp
7. Demonstrated financial flexibility to raise Capital

Key Credit Highlights
Tata Steel – Flagship company of Tata Group

Tata steel contribution to Tata Group

Consistent support from Tata Sons

Leveraging global “Tata” capabilities

Tata Group Revenue (1)

Tata Group Assets (1)

Equity: Tata Group has invested more than USD 1bn in Tata Steel since 2008

Announcement of rights issue up to USD 1.97bn (2)

Divestment of non core assets: Tata Group has been a large buyer

USD 612mn

USD 582mn

Tata Motors (2.6%), Titan (2.18%), Tata Projects sale proceeds

Stake sale in Tata Motors (2.85%)

High Corporate Governance standards and transparency across the Group

The Chairman of Tata Group chairs the Board of Tata Steel enabling transformational corporate actions

Access to shared pool of highly talented resources provided by Tata Administrative Services (“TAS”)

Focus on responsible growth, setting the benchmark in sustainability and CSR inline with the Tata Code of Conduct

Key Credit Highlights

(1) Tata Group and Tata Steel revenues and assets on gross basis as of FY17

(2) Total rights issue size

Source: Company data

FX: USD 1 = INR 65.0
Tailwinds from global steel upcycle

- Global economic recovery is now more broad based
- Global manufacturing is seeing an upturn supported by more visible signs of continued investment recovery; China growth remains stable
- 2017 has seen a strong commodities upcycle including in steel
- China has closed most of its outdated induction furnaces in 2017
- Global steel demand-supply position appears favorable with capacity closures in China

Steel demand growth forecast (mn tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>China</th>
<th>World ex China</th>
<th>EU</th>
<th>India</th>
<th>ASEAN-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY2017</td>
<td>106.2</td>
<td>26.0</td>
<td>21.5</td>
<td>3.9</td>
<td>2.2</td>
<td>3.6</td>
</tr>
<tr>
<td>CY2018F</td>
<td>84.7</td>
<td>0.0</td>
<td>0.0</td>
<td>3.6</td>
<td>5.0</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Source: Bloomberg

Commodity prices in an upcycle

Global Manufacturing PMI

<table>
<thead>
<tr>
<th>Month</th>
<th>China Markit Mfg PMI</th>
<th>EU Markit Mfg PMI</th>
<th>Global Markit Mfg PMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan-16</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Jul-16</td>
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<tr>
<td>Jan-17</td>
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</tr>
<tr>
<td>Jul-17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg

China steel exports (mn tons)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>CY2016</th>
<th>Q3CY16</th>
<th>Q4CY16</th>
<th>Q1CY17</th>
<th>Q2CY17</th>
<th>Q3CY17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.4</td>
<td>28.1</td>
<td>23.6</td>
<td>20.7</td>
<td>20.3</td>
<td>18.6</td>
</tr>
</tbody>
</table>

Source: Bloomberg

Global HRC prices1 (US$ per ton)

<table>
<thead>
<tr>
<th>Month</th>
<th>North Europe Domestic HRC</th>
<th>China Export HRC</th>
<th>China Domestic HRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep-15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar-16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep-16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar-17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep-17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bloomberg

1) China HRC Export - China Weekly Hot Rolled Steel 3mm Export Price Shanghai
North Europe Domestic HRC - PLATTS TSI HRC N Europe Domestic Prod Ex-Mill
China Domestic HRC - China Domestic Hot Rolled Steel Sheet Spot Average Price
Riding the economic growth momentum in India

- India continues to remain one of the fastest growing major economies in the world

- Political stability and continued reforms driving positive growth outlook

- As per WSA, steel demand in India is expected to grow at 4.3% and 5.7% per annum 2017 and 2018, respectively

- GST and Demonetisation to accelerate increase in organized sector market share

- Trade remedial measure have provided downside protection; improvement in demand to result in better utilization rates and margins

- Cost push for the sector is also leading to higher realization

- National Steel policy 2017
  - Target to increase steel manufacturing capacity to 236MT by FY26 and 300MT by FY31
  - Preference for domestically manufactured iron and steel products in government procurement

Key Credit Highlights

- Low per capital steel consumption – Significant headroom for growth (Kg of finished steel products per capita)

- Resilient Prices aided by policy support

- ...leading to improving utilizations

*Assumed capacity for FY18YTD to November at 128MT

(1) China Weekly Hot Rolled Steel 3mm Export Price Shanghai; PLATTS HRC India Domestic Delivered Mumbai
Focus on India growth through organic and inorganic routes

Demonstrated execution track record in India
Tata Steel India: crude steel capacity (MTPA)

<table>
<thead>
<tr>
<th>Year</th>
<th>crude Steel capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>4.0</td>
</tr>
<tr>
<td>2006</td>
<td>1.0</td>
</tr>
<tr>
<td>2008</td>
<td>1.8</td>
</tr>
<tr>
<td>2012</td>
<td>2.9</td>
</tr>
<tr>
<td>2016</td>
<td>3.0</td>
</tr>
<tr>
<td>2018</td>
<td>12.7</td>
</tr>
</tbody>
</table>

On-going expansion of 6.3MT

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Flats</th>
<th>Longs</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamshedpur</td>
<td>6.6</td>
<td>3.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Kalinganagar</td>
<td>5.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Growth in delivery volumes – Tata Steel India consistently outpaces the market

Volumes in KT

<table>
<thead>
<tr>
<th>Year</th>
<th>Volumes</th>
<th>Industry growth YoY</th>
<th>Tata Steel India growth YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>8,749</td>
<td>(1%)</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>9,543</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>FY17</td>
<td>10,973</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>H1FY18</td>
<td>5,825</td>
<td>22% (1)</td>
<td></td>
</tr>
</tbody>
</table>

(1) H1FY18 growth is YoY on H1FY17
(2) Source: JPC; Industry growth calculated on finished steel production

Growing share of India operations

<table>
<thead>
<tr>
<th>Region</th>
<th>India</th>
<th>Europe</th>
<th>SEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage:</td>
<td>18%</td>
<td>47%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Current Capacity (as of H1FY18): 27.5 MTPA

Capacity post expansion at Kalinganagar (5 MTPA) and Jamshedpur (1.3 MTPA): 33.8 MTPA

Key Credit Highlights
Overview

✓ Provides growth opportunity, scale and de-risks operations away from single location in India

✓ Lighter, high-tensile strength steel enabling expansion of customer universe to sectors including Defense, Oil and Gas, Lifting and Excavation

✓ Optimal design to drive efficiency and meet sustainability benchmarks

✓ Improved cost competitiveness with higher employee productivity and operating KPIs driven by automation

✓ Logistics advantage due to its proximity to the ports and captive Iron ore mines

Phase II: 5 MTPA expansion project underway

The project includes investments in:

✓ Upstream and midstream facilities: 2.2 MTPA coke plant, 0.8 MTPA sinter plant, 4.8 MTPA blast furnace, 3.2 MTPA hot strip mill

✓ Infrastructure & downstream facilities: 2.2 MTPA cold rolling mill including 0.9 MTPA continuous annealing line and 1 MTPA galvanizing line

✓ Timelines: to be implemented in 48 months.

Exchange rate used: USD 1 = INR 65
## De-risking the business volatility with enhanced portfolio of value added products

<table>
<thead>
<tr>
<th>Segment</th>
<th>Products</th>
<th>Sales (MT)</th>
<th>Key highlights</th>
<th>User Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY17</strong></td>
<td><strong>H1FY18</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Automotive & Special products | | 1.58 | 0.85 | ▪ Market leader with 44%(1) market share  
▪ Strong customer relationships with auto companies  
▪ Share in new launches show maturity of Tata Steel’s presence | Automotive segment |
| Branded products, Retail & Solutions | | 3.47 | 1.82 | ▪ ~3 million retail customers and 10,000 plus ECAs(2)  
▪ Strong brands; command premium over peers  
▪ Unique Pan-India distribution network | White Goods, Furniture, Individual house builders, warehousing, Solar and telecom panels, Project Fabrication & General Engineering, Commercial Building (Elevator & Racks & Storage Systems), Tubes, Agriculture, and Shelter & Sanitation |
| Industrial Products, Projects & Exports | | 4.77 | 2.51 | ▪ 6 fold jump in sales to new sub-segments like PEB, Lifting & Excavation, Construction & Projects, and Oil & Gas due to ramp-up at Kalinganagar  
▪ Strong customer relationships and play in chosen value added products | General Engineering, Oil & Gas, Lifting & Excavation, Infrastructure and Construction Projects, Pre-Engineered Buildings, Housing, Industrial, Power, Auto, Railways, and LPG |
| Transfers to Downstream units | | 1.16 | 0.65 | ▪ Value creation through downstream facilities | |
| **Total sales** | | **10.97** | **5.83** | | | |

### Growing market share in value added segments

<table>
<thead>
<tr>
<th>Value added segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>LPG</td>
</tr>
<tr>
<td>▪ Enhanced market share from &lt;30% to 45% levels in 3 years, through customer acquisition and service differentiation with a replenishment system</td>
</tr>
</tbody>
</table>

### Expanding into new segments to tap a wider customer base

<table>
<thead>
<tr>
<th>New Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEB</td>
</tr>
</tbody>
</table>
| ▪ Gained entry into industry leaders within the segment | ▪ Successful trials and commencement of supplies to global leaders | ▪ Approvals from a leading Indian oil marketing company for supply of API grade steel  
▪ Established as a major player in the large dia water pipeline segment through Kalinganagar; enhancing presence in construction projects | |

---

(1) In chosen markets in India,  
(2) Emerging Customer Accounts,  
(3) Transfers in thousand tons,  
(4) Transfers/sales to JCAPCPL and Tata BlueScope included in other segments  
### De-risking the business volatility with enhanced portfolio of value added products

#### Increasing share of branded products

<table>
<thead>
<tr>
<th>Turnover from Branded Products %</th>
<th>FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>14</td>
<td>22</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>28</td>
<td>29</td>
<td>29</td>
<td>33</td>
<td>37</td>
<td>41</td>
<td>44</td>
<td>48</td>
<td>50</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

Dropped with ramp-up at Kalinganagar

#### Innovating to capture value through Services & Solutions

- Incremental value pool untapped for construction solutions to Individual Home Builder; consumer pays for the solution, speed & convenience
- First steel company to enter in this space of branded steel doors

#### Services & Solutions Portfolio

<table>
<thead>
<tr>
<th>In scale up mode</th>
<th>In pilot &amp; trial mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pravesh Steel Doors &amp; Windows</td>
<td>Solar Panel</td>
</tr>
<tr>
<td>CYAN – Wardrobes</td>
<td>Smart Bus Shelter</td>
</tr>
<tr>
<td>EzyNest Solution for urban sanitation</td>
<td></td>
</tr>
<tr>
<td>ATW (All Time Water) Kiosk</td>
<td></td>
</tr>
<tr>
<td>MobNest Portable Cabin</td>
<td></td>
</tr>
<tr>
<td>MobiNest</td>
<td></td>
</tr>
<tr>
<td>Wardrobes</td>
<td></td>
</tr>
<tr>
<td>CYAN</td>
<td></td>
</tr>
<tr>
<td>ATW</td>
<td></td>
</tr>
<tr>
<td>Kiosk</td>
<td></td>
</tr>
<tr>
<td>EzyNest Solution</td>
<td></td>
</tr>
<tr>
<td>Smart Sanitation Unit</td>
<td></td>
</tr>
</tbody>
</table>

#### Strong retail reach of ~3mn customers

- Integrated pan-India sales distribution network
- 212 distributors, and more than 12,600 dealers and retailers
- 60% of outbound logistics is covered by rail network and rest by roads; first company to have SFTO
- 100% fleet covered by vehicle tracking system: 1st in Indian Steel Industry
- Delivery compliance (DDP) continues to be > 95%; enabled by TOC

(1) As of September 2017, (2) DDP: Due date performance, (3) SFTO: Special freight train operations, (4) TOC: Theory of constraints
Sustainable and highly efficient cost operations in India

**Building sustainable business for the future**
- Over USD 385mn invested on environmental efforts in the last 10 years
- CO2 emission intensity: 26% reduction in last 12 years
- Specific water consumption: 35% reduction in last 4 years
- Specific dust emissions 50% reduction in last 4 years
- One of the first companies in India to introduce Internal Carbon (Shadow) Pricing

**Captive Raw Material & Resource Efficiency**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16 Specific Energy intensity (Gcal / tcs)</th>
<th>FY16 Specific Coke Rate (Kg / thm)</th>
<th>FY16 Specific Fuel Rate (Kg / thm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1FY18</td>
<td>5.77</td>
<td>380</td>
<td>548</td>
</tr>
<tr>
<td>FY16</td>
<td>5.66</td>
<td>349</td>
<td>537</td>
</tr>
</tbody>
</table>

- Access to low cost raw materials to drive cost efficiency benefits in upturn
- 100% Iron Ore self sufficiency with captive mines; FY17 production stood at 21.3mt
- 36% Coking coal self sufficiency in FY17 with 6.3mt production from captive mines

**Process Efficiency**

<table>
<thead>
<tr>
<th>Year</th>
<th>TCS/FTE/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>455</td>
</tr>
<tr>
<td>FY17</td>
<td>720</td>
</tr>
<tr>
<td>TSCR</td>
<td>840</td>
</tr>
<tr>
<td>TSK^</td>
<td>1,014</td>
</tr>
</tbody>
</table>

Shikhar 25: Cost savings of ~USD 306mn in FY17 across the steel value chain and cross-functional segments

- Focus on improving process efficiency, speed and throughput, reliability, energy efficiency, value in chain, supply chain, logistics and other processes
- Ultimate goal to improve overall efficiency that would translate in EBITDA improvement

**Amongst the lowest cost producers globally**

Production costs for HRC globally (USD / ton)

Source: CRU 2016

- Access to low cost raw materials to drive cost efficiency benefits in upturn
- 100% Iron Ore self sufficiency with captive mines; FY17 production stood at 21.3mt
- 36% Coking coal self sufficiency in FY17 with 6.3mt production from captive mines

**...countering the impact of Inflation**

Average CPI (FY12-H1FY18 CAGR) 6.3%

Conversion cost -ex raw material/ton (FY12-H1FY18 CAGR) -1.7%

(1) KPIs only for Tata Steel Jamshedpur
(2) TCS = Tons of Crude Steel; FTE = Full Time Equivalent Employees
* Thin Slab Caster at Jamshedpur along with 2.9 MTPA capacity expansion; ^ Tata Steel Kalinganagar phase 1 productivity at full ramp up
FX: USD 1 = INR 65.0
Strategic consolidation being pursued in Europe through JV with thyssenkrupp

Achieving Turnaround of Tata Steel Europe

Sale / Restructuring of Businesses
- May 31, 2016 - European Long Products business sold to Greybull Capital
- May 1, 2017 - UK Specialty Steels business sold to Liberty House
- July 31, 2017 – Sale of 42 and 84 inch pipe mills in Hartlepool to Liberty Steel
- Port Talbot/UK operations rationalized

Resolution of Pension Liability
- Regulatory Apportionment Agreement approved by the Pensions Regulator
- Payment of GBP 550mn completed along with transfer of 33% stake in Tata Steel UK
- BSPS has now been separated from Tata Steel UK and number of affiliated companies
- Process underway to set up a new scheme with lower risk profile following member consent process led by trustee

Sustainable European Steel Business
- Signed MoU for 50:50 JV with Thyssenkrupp in Sep 2017
- Partnership of two reputed global corporations for European Steel Business
- Expected closing timeline:
  - Completion of due diligence and signing of definitive agreements: Mar 2018
  - Deal closure/JV Zero date (Including anti trust and other regulatory approval process): Dec 2018 / Mar 2019

De-consolidation of Tata Steel Europe

<table>
<thead>
<tr>
<th>Tata Steel Europe</th>
<th>Jun’17 (LTM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries (in million tons)</td>
<td>9.8</td>
</tr>
<tr>
<td>Turnover (EURmn)</td>
<td>7,381</td>
</tr>
<tr>
<td>EBITDA (EURmn)</td>
<td>699</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thyssenkrupp Steel Europe</th>
<th>Jun’17 (LTM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries (in million tons)</td>
<td>11.5</td>
</tr>
<tr>
<td>Turnover (EURmn)</td>
<td>8,585</td>
</tr>
<tr>
<td>EBITDA (EURmn)</td>
<td>866</td>
</tr>
</tbody>
</table>

JV Proforma (Indicative)
- Deliveries (in million tons)\(^{(1)}\) | 21.3 |
- Turnover\(^{(1)}\) (EURmn) | 15,966 |
- EBITDA\(^{(1)}\) (EURmn) | 1,565 |
- Term Debt (EURmn) | 2,500 |
- Pension & legacy business liabilities (EURmn)\(^{(2)}\) | 3,600–4,000 |

2\(^{nd}\) largest pan-European steel player
Robust capital structure designed for a sustainable future
Structural reduction in debt : Transfer of EUR 2.5bn of debt into the JV
Initial estimated\(^{(3)}\) cost synergies of EUR 400-600mn p.a. on a steady state basis
Deconsolidation of Tata Steel Europe and related liabilities from Tata Steel Group balance sheet

FX: EUR 1 = INR 72.48 (average)
(1) LTM basis
(2) From thyssenkrupp Steel Europe
(3) Management estimate
Diversified sources of debt funding

**Borrowings Mix (Consolidated – FY17)**

- **Loans & others 71%**
- **Bonds, debentures and commercial papers 29%**

**Maturity Profile (FY17)**

<table>
<thead>
<tr>
<th>USD mn</th>
<th>&lt;2 years</th>
<th>2-5 years</th>
<th>&gt;5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>5,823</td>
<td>4,466</td>
<td>3,355</td>
</tr>
</tbody>
</table>

- **Short term 22%**
- **Long term 78%**

**Key Credit Highlights**

- **Net Debt / EBITDA**
  - FY15: 5.3x
  - FY16: 8.9x
  - FY17: 4.3x
  - H1FY18: 4.0x
- **EBITDA / Finance Cost**
  - FY15: 2.6x
  - FY16: 3.4x
  - FY17: 3.6x
  - H1FY18: 3.6x
- **Gross Debt / Equity**
  - FY15: 1.6x
  - FY16: 1.8x
  - FY17: 2.1x
  - H1FY18: 2.8x

**Source:** Company filings

FX: USD 1 = INR 65.0

(1) Consolidated figures
(2) Consolidated figures - includes future finance charges and capitalization of transaction costs
(3) Includes loans from banks and financial institutions and finance lease obligations
## Financial Performance – Key P&L items

<table>
<thead>
<tr>
<th></th>
<th>Tata Steel (Consolidated)</th>
<th>Tata Steel (Standalone)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(USD mn)</strong></td>
<td>FY15</td>
<td>FY16</td>
</tr>
<tr>
<td>Deliveries (MT)</td>
<td>26.32</td>
<td>23.54</td>
</tr>
<tr>
<td>Revenue from Operations</td>
<td>22,105</td>
<td>16,290</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,952</td>
<td>1,218</td>
</tr>
<tr>
<td>EBITDA / Ton</td>
<td>74</td>
<td>52</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>743</td>
<td>647</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization Expense</td>
<td>910</td>
<td>813</td>
</tr>
<tr>
<td>Profit/(Loss) before Tax from Continued Operations</td>
<td>(213)</td>
<td>419</td>
</tr>
<tr>
<td>Profit/(Loss) from Discontinued Operations</td>
<td>NA</td>
<td>(389)</td>
</tr>
<tr>
<td>Reported PAT</td>
<td>(606)</td>
<td>(76)</td>
</tr>
</tbody>
</table>

Source: Company filings
FX: USD 1 = INR 65.28