Mumbai, May 16, 2018
Tata Steel Reports Consolidated Financial Results for the Quarter and year ended March 31, 2018

Highlights:
- Health and Safety: LTIFR rate of 0.46 in FY18 compared to 0.58 in FY17.
- Consolidated revenues increased by 8.0%QoQ to Rs.36,132 crores in 4QFY18, driven by improved selling prices across geographies and higher deliveries in Europe. It grew by 13.3%YoY to Rs.1,33,016 crores in FY18.
- Consolidated EBITDA increased by 13.4%QoQ to Rs.6,579 crores in 4QFY18, it improved by 29.5%YoY to Rs.22,045 crores in FY18.
- Pre-exceptional PBT from continuing operations increased by 19.6%QoQ to Rs.3,839 crores in 4QFY18, it grew by 69.3%YoY to Rs.11,511 crores in FY18.
- The exceptional gain was Rs.11,376 crores which includes a non-cash gain of Rs.14,077 crores on account of restructuring of UK pension scheme in 4QFY18.
- Consolidated PAT stood at Rs.14,688 crores in 4QFY18 as against Rs.1,136 crores in 3QFY18, it improved to Rs.17,763 crores in FY18 vs. a loss of Rs.4,169 crores in FY17.
- Gross debt as on March 31, 2018 increased to Rs.92,147 crores, mainly driven by foreign exchange translation impact. Net debt declined to Rs.69,215 crores.
- The liquidity position of the group remains very robust with approximately Rs.36,320 crores comprising of Rs.22,932 crores in cash and cash equivalents and Rs.13,388 crores in undrawn bank lines
- The Board of Directors recommended a dividend of Rs.10.00 per fully paid equity share and Rs.2.504 per partly paid equity share.

### Tata Steel Standalone and Consolidated Highlights

(Figures in Rs. crore unless otherwise specified)

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<tr>
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<th>Standalone</th>
<th>Consolidated</th>
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<tbody>
<tr>
<td></td>
<td>Q4FY18</td>
<td>Q3FY18</td>
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<tr>
<td>Production (mn tn)²</td>
<td>3.07</td>
<td>3.27</td>
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<tr>
<td>Deliveries (mn tn)</td>
<td>3.03</td>
<td>3.30</td>
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<tr>
<td>Turnover</td>
<td>16,281</td>
<td>15,969</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4,823</td>
<td>4,647</td>
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<tr>
<td>PBT before exceptional items</td>
<td>3,363</td>
<td>3,226</td>
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<tr>
<td>Exceptional Charges</td>
<td>(1,607)</td>
<td>(1,115)</td>
</tr>
<tr>
<td>PAT from Continuing Operations</td>
<td>1,031</td>
<td>1,338</td>
</tr>
<tr>
<td>PAT from Discontinued Operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reported PAT (A)</td>
<td>1,031</td>
<td>1,338</td>
</tr>
<tr>
<td>Other Comprehensive Income (B)</td>
<td>13</td>
<td>136</td>
</tr>
<tr>
<td>Total Comprehensive Income (A+B)</td>
<td>1,044</td>
<td>1,474</td>
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<tr>
<td>Diluted EPS (Rs.)</td>
<td>9.38</td>
<td>12.55</td>
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1. Long Products and Specialty Steels businesses have been re-classified as held for sale/ discontinued operations. The previous year’s figures have also been re-stated accordingly.
2. Production numbers for consolidated financials are calculated using Crude steel for India, Liquid steel for Europe and saleable steel for SEA.
Key Operating and Financial Highlights:

India Operations:

- Deliveries declined to 3.03 million tons in 4QFY18 as production was impacted due to unforeseen blast furnace outage at the Kalinganagar plant. The issue has been resolved and plant is now running at full capacity.

- FY18 deliveries grew by 10.7%YoY which was better than 7.9%YoY demand growth in India. The volume growth was broad based and across segments. Automotive segment sales increased by 22.9% with 17.3% growth in hi-end automotive steel sales. Branded products, Retail & Solutions segment sales grew 9.5% in FY18. Deliveries in the Industrial Products, Projects & Exports segment grew 6.3% with 2x growth in the engineering sub-segment.

- Launched 38 new products in FY18. Enriched products now account for 68% deliveries in India; Branded products contribute 46% of total revenues.

- EBITDA for the quarter improved to Rs. 4,823 crores, up by 11.5%YoY and 3.8%QoQ as decline in deliveries was more than offset by improved realisations. FY18 EBITDA registered a significant improvement increasing by 32.3% to Rs.15,800 crores.

- Exceptional charge of Rs.1,607 crores includes charge of Rs.1,484 crores on account of net provision recognized in respect of certain demands and claims from regulatory authorities relating to mining operations.

- Tata Steel Jamshedpur continues to be the benchmark in India for Coke consumption rate, with lowest best-ever coke rate of 348 kg/thm. It is also close to the global benchmark in water consumption, with specific water consumption rate of 3.68 m^3/tcs in FY18.

European Operations:

- Liquid steel production declined by 1.6%QoQ to 2.63 million tons in 4QFY18, FY18 production was up by 1.2% to 10.69 million tons.

- Deliveries improved by 4.3%QoQ to 2.55 million tons in 4QFY18, FY18 deliveries increased by 0.6%YoY to 9.99 million tons.

- EBITDA jumped by 77.7%QoQ to £129 million on account of higher realisations in 4QFY18 and lower maintenance cost for planned outages as compared to 3QFY18. FY18 EBITDA stood at £442 million.

- Launched 23 new products in FY18, which includes steel for construction and automotive customers and also a new Nickel-plated steel for batteries used in electric vehicles. Differentiated products mix at Europe improved to 42%.

South-East Asian Operations:

- Revenue for South East Asia operations increased by 5.6%QoQ to Rs.2,631 crores in 4QFY18 with better selling prices; increased 15.7%YoY in FY18.
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EBITDA declined to Rs.95 crores in 4QFY18 vs. Rs.184 crores in 3QFY18 as spreads were impacted mainly due to higher scrap prices. FY18 EBITDA stood at Rs.437 crores.

Corporate Developments:

- Kalinganagar plant expansion has commenced. Engineering work is going as per plan and construction work has also started. Total estimated project cost is Rs.23,500 crores, including Rs.16,500 crores up to HRC stage and balance on raw material handling facilities and 2.2MTPA cold rolling mill.
- Tata Steel has been identified as the successful bidder for Bhushan Steel by its CoC and has received NCLT’s approval on the resolution plan. CCI approval for this transaction has also been received.
- The entire process for the UK pension restructuring is now complete. The new scheme has a non-cash £2.2bn accounting surplus under IAS19. Out of this, a non-cash gain of £1.64bn i.e. Rs.14,077 crores has been treated as the exceptional gain during the quarter. The surplus will continue to support the pension scheme, allowing it to run its required low-risk investment strategy protecting its members. This is an optimal and sustainable outcome for pensioners, current employees and the UK business. Between the acquisition of Corus Group by Tata Steel in April 2007 until September 2017, £1.7bn of charges were taken through the books of Tata Steel UK either through the Profit and Loss account or Other Comprehensive Income in relation to the old British Steel Pension Scheme (BSPS). In addition, in the September 2017 quarter, when the BSPS was separated from TSUK by way of a Regulated Apportionment Arrangement, a £554mn cash payment and a 33% equity stake in TSUK was transferred into the scheme.
- The 50:50 joint venture with thyssenkrupp is progressing well. The binding agreements are expected to be signed in 1QFY19. The consultation process with Tata Steel’s works councils across Europe is also progressing, including discussions with trade unions.
- Tata Steel Europe is seeking buyers for five non-core business units which supply products to niche markets. These potential divestments will allow Tata Steel Europe to strengthen its focus on strategic strip products and markets through its IJmuiden and Port Talbot value chains.
- During the quarter, the company completed its rights issue of Rs. 12,693 crores. The issue closed in March 2018 and was oversubscribed.

Major Awards & Recognitions during the year:

- Prime Minister's Trophy for ‘Best Integrated Steel Plant’ for the assessment years 2014-15 and 2015-16
- Retained Industry Leader position and ranked overall 2nd in the DJSI assessment 2017
- ‘Most Ethical Company’ award for the sixth time in the Mining, Metals and Minerals category by the Ethisphere Institute.
- ‘Golden Peacock HR Excellence Award’ for the year 2017 by the Institute of Directors, India
‘Best Company To Work For’ Award in the core sector by Business Today, Ranked at #7 in the Top 25 overall (across sectors) list

‘Asia’s Best Treasury Team’ award by the Hong Kong based ‘Corporate Treasurer’, an independent print publication in Asia dedicated to serving treasury teams and chief financial officers

MINT Corporate Strategy Award in the ‘Renewals’ category for evolving strategies for sustained market leadership.

Dun & Bradstreet Corporate Awards 2017 in the ‘Iron and Steel’ sector

Bagged awards for ‘Best Risk Management Framework & Systems’ in two categories, namely Risk Governance and Metals & Mining at the 4th India Risk Management Awards 2018

'Asia’s Best Integrated Report' award by the Asia Sustainability Reporting Awards 2017, the highest regional recognition for integrated reporting

18 awards to Tata Steel West Bokaro division at ‘60th Annual Mines Safety Week’ under aegis of the Directorate General Mines Safety, India

BIZSAFE award to Nat Steel Group by the Work Place Safety and Health Council, Singapore for exemplary risk management systems

Management Comments:

Mr. T V Narendran, CEO & Managing Director:

“Tata Steel performance has been robust in FY18 driven by our strong execution strategy and supported by favourable global demand-supply balance. During the year, our Indian operations delivered volume growth better than the market on the back of the ramp-up at our Kalinganagar plant and the strength of our marketing network and brand equity. Growth was broad-based across our marketing segments. Tata Steel Europe had a good quarter despite currency headwinds. The UK pension scheme restructuring process has also been completed. The 50:50 JV discussion with thyssenkrupp is progressing well and we are committed towards building a strong European portfolio.

We continue to execute on our strategy of expanding our footprint in India. Kalinganagar Phase 2 expansion is progressing well, which will take our capacity from 13mt to 18mt of crude steel. I am also happy to share that NCLT has given its approval on our resolution plan for Bhushan Steel. We have also received CCI approval for this transaction.

On the steel outlook, we are closely watching the developments in global steel trade because of US protectionist measures. However, we continue to be bullish on steel prices and spreads with improving demand situation in India.”

Mr. Koushik Chatterjee, Executive Director and CFO:

“FY2018 have been a good year for us as the group delivered a strong top and bottom line growth. During the year, our India business did very well with industry leading EBITDA margins and strong cash flows. Europe performance is also improving with restructuring, plant upgrades and support from better pricing in EU.
We completed 2 large financing transactions which apart from providing funds also gives us significant flexibility to pursue our growth plans. Our $1.3 bn international bond issue in January 2018 helped us extend our maturity profile. We also successfully completed a US$2bn Rights Issue, one of the largest equity issuance in India; both the fully and partly paid issues were oversubscribed excluding subscription from Tata Group. The success of these issuances represents the investors’ confidence in the group’s long-term strategy.

As we look forward, with the fundamentals of steel industry getting stronger, we believe that we are well positioned to drive profitable growth by continuing to execute on our strategies.”

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 may differ materially from those directly or indirectly expressed, inferred 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 or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.

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