



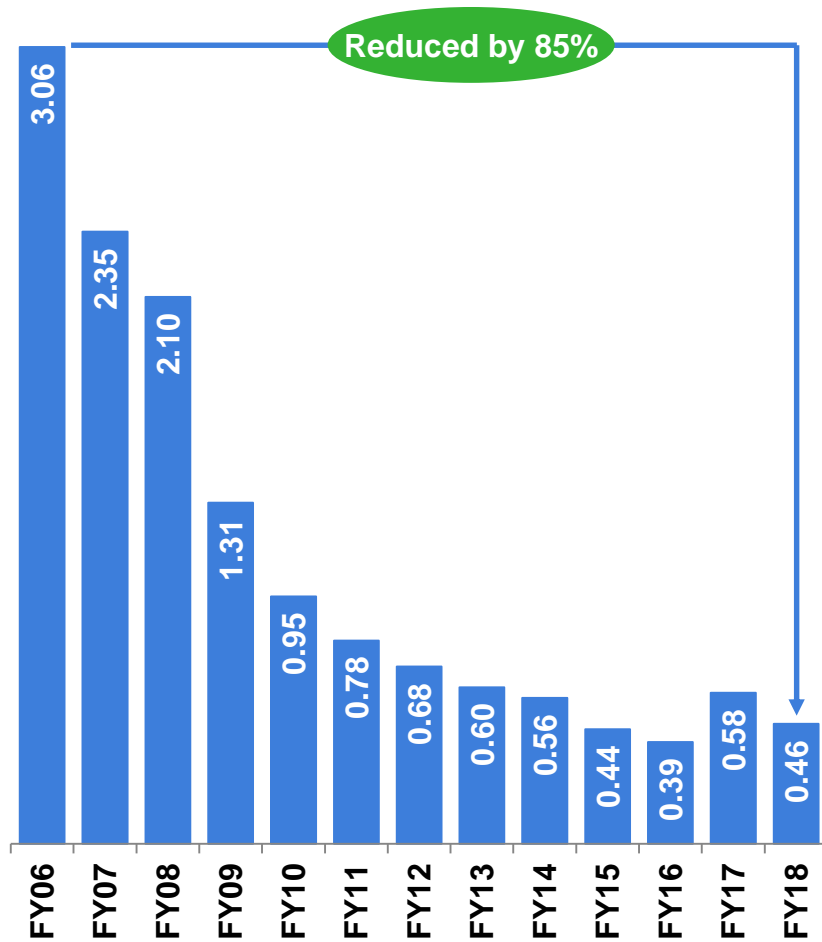
Results Presentation

Fourth quarter and year ended March 31, 2018

May 16, 2018

Statements in this presentation 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.

LTIFR* of Tata Steel group reduced to 0.46



- **Felt Leadership programme**
Completed for all senior leaders, union committee members, and 83% officers in India
- **Best practices for Process Safety**
Deployed in high hazard operations with cross learning between India and Europe
- **Contractor Safety Management**
Engaging only competent vendors as per contractor safety management standard for high risk jobs
- **Key recent awards**
 - 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

*LTIFR is Lost Time Injury Frequency Rate

India

Education

- 6 Model Schools were inaugurated and handed over to Odisha Government in FY18 under '30 Model School Construction Project'
- Supported 3,269 students for their education under 'Jyoti Fellowship'
- 1,165 Odisha villages were made child labour free zones and reached out to 648 Jharkhand villages by intensively engaging 2,800 children under 'Thousand Schools Project' by end of FY18

Health & Sanitation

- Static and mobile clinics, and health camps – Over 4.5 Lakh patient footfalls across Jharkhand and Odisha
- Ante-Natal & prenatal check-ups – 6071 pregnant women benefitted
- Treatment/ rehabilitation of 2,106 leprosy patients
- Immunization of 4,223 children
- Constructed 3,235 household Toilets in Jharkhand and West Singhbhum districts under "Open Defecation Free" drive

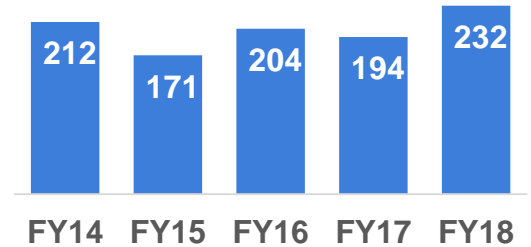
Livelihood

- Training in rural and agrarian skills: 1,084 farmers trained at Green College Kolabera in partnership with German non-profit Welthungerhilfe
- Skilled over 4,342 youths in various vocational trades
- Started first academic session in FY18 after taking over Industrial Training Institute (ITI) from government of Jharkhand

Europe

- Sponsored an organised a 'sleep-out' event to raise awareness and money to combat homelessness in South Wales
- Tata-Kids of Steel Football event for children in Ijmuiden – a community partnership with Telstar soccer club focused on how to live a healthy lifestyle

CSR Spend India (Rs. crores)



Delivering, growing and creating value

Strong operating performance

Enhancing value added products portfolio

Kalinganagar plant expansion starts

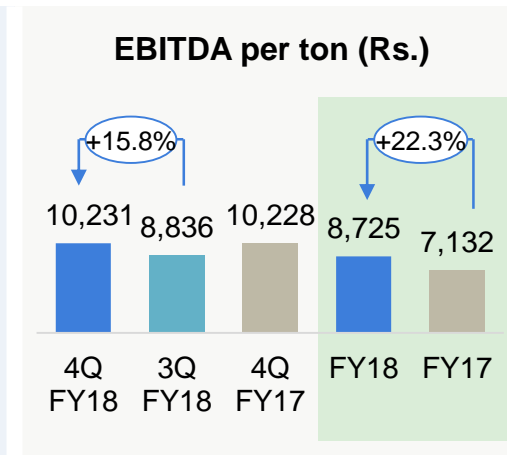
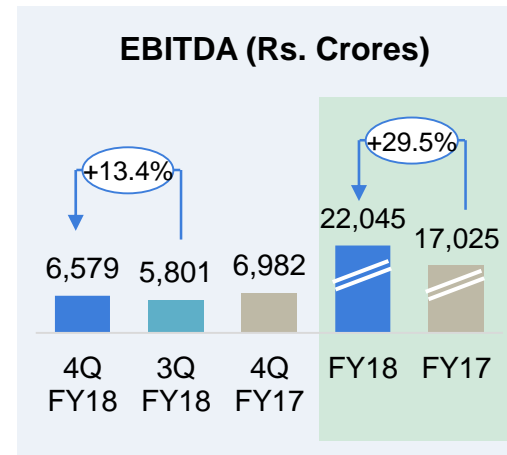
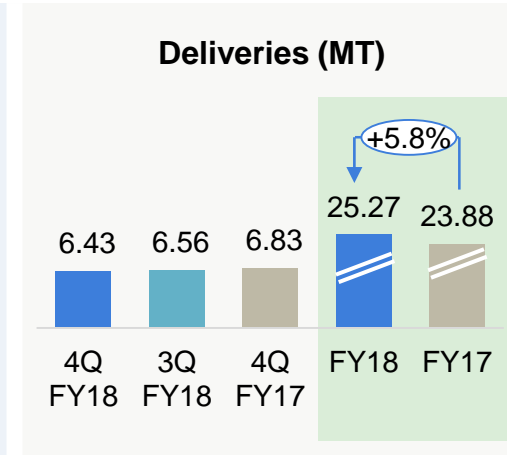
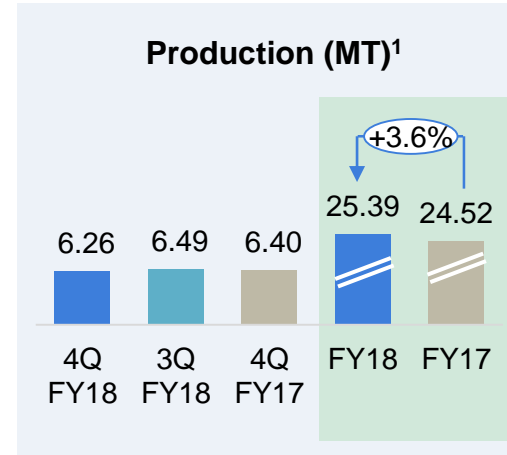
Pursuing inorganic growth opportunities

Creating sustainable European portfolio

Successful resolution of UK Pension Scheme

Landmark US\$ 1.3bn bonds offering

US\$ 2bn Rights Issue to strengthen the Balance Sheet



1. Production numbers for consolidated financials are calculated using Crude steel for India, Liquid steel for Europe and Saleable steel for SEA

Business Environment

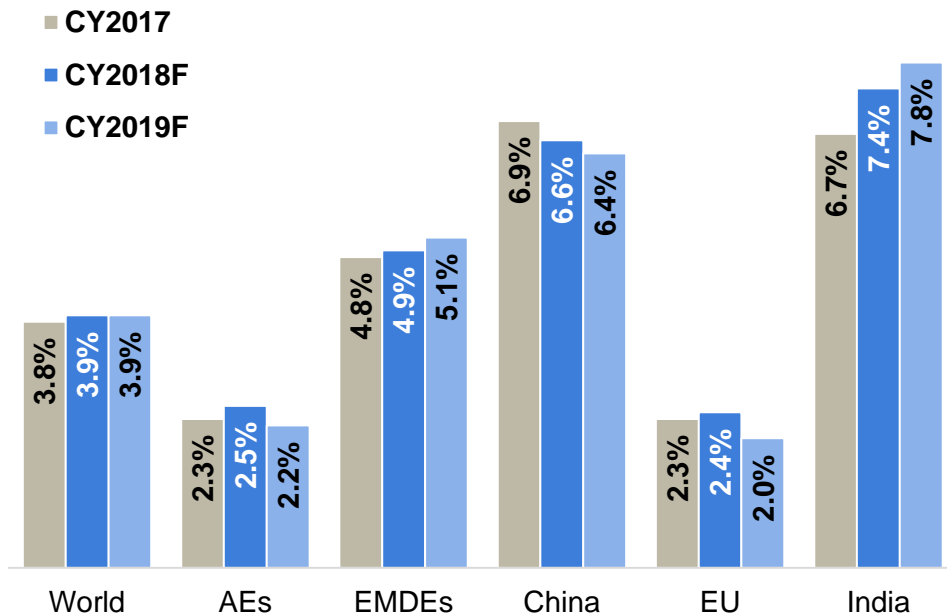
Operational Performance

Financial Performance

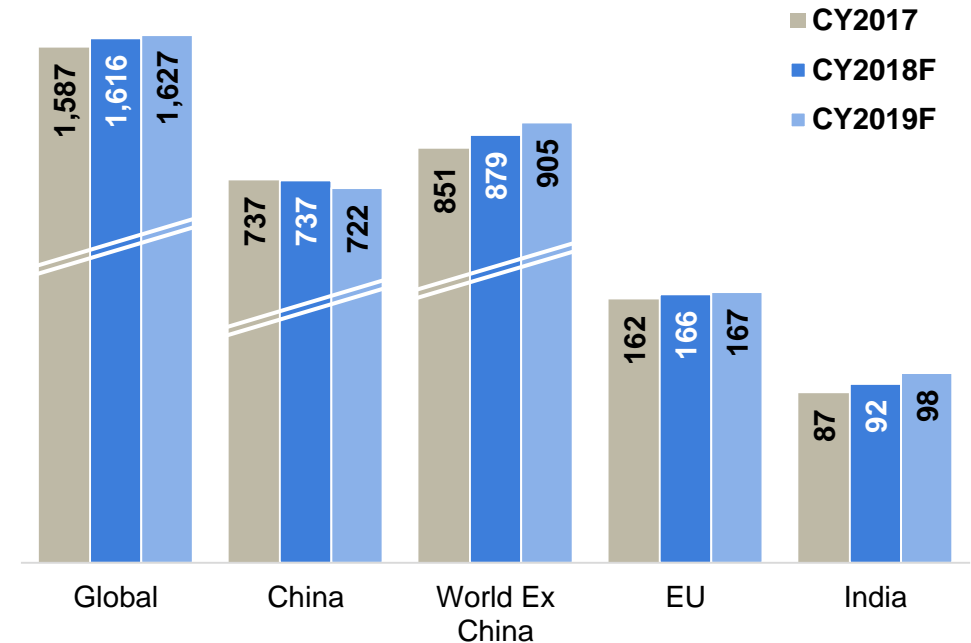
Appendix

- Global economic growth outlook has further strengthened despite headwinds of rising protectionism and trade war concerns, geopolitical issues and rising interest rates
- CY18 global steel demand is expected to grow by ~29 mn tons; Chinese steel demand to remain flat as China gradually transitions to slower economic growth

GDP Growth projection (%)



Finished steel demand growth forecast (in mn tons)



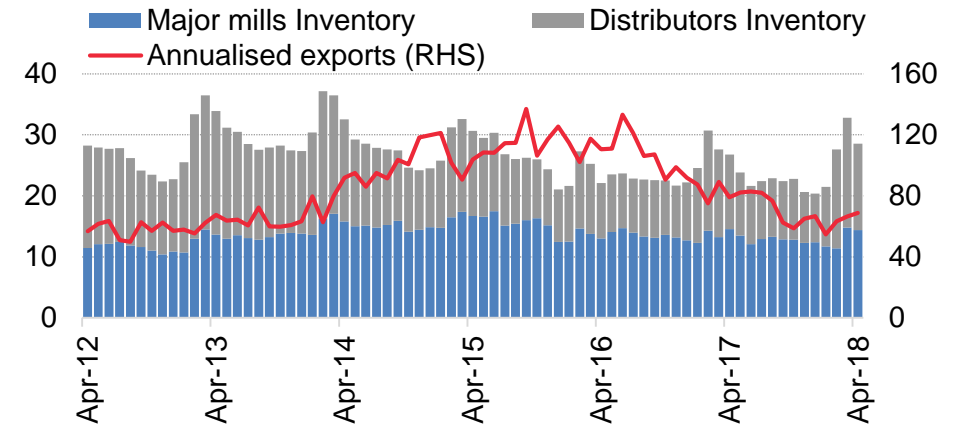
Source: IMF, World Steel Association

AEs: Advanced Economies; EMDEs: Emerging Market and Developing Economies

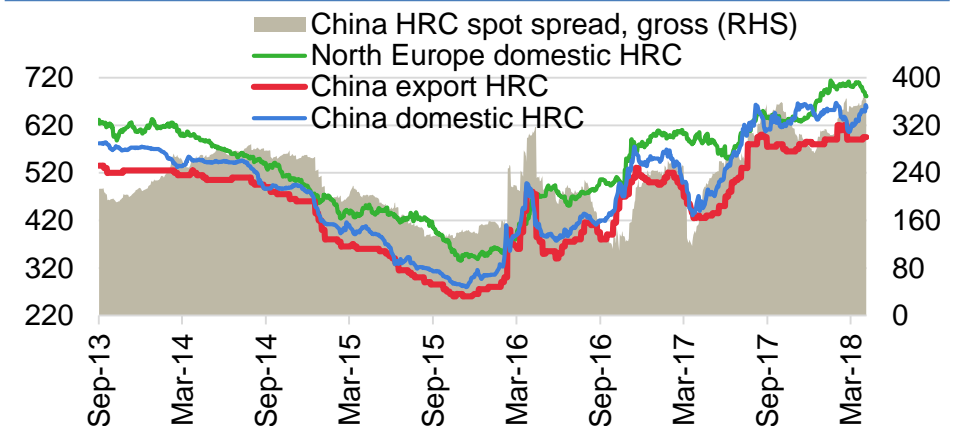
Global steel spreads expand with favourable steel supply-demand balance

- Chinese steel production grew by 5%YoY in Mar'18 quarter; utilization was at elevated levels with capacity closures
- Chinese steel exports declined by ~27%YoY with demand recovery after a slow start post CNY
- Global steel prices remained buoyant; steel spreads improved with favourable demand-supply balance and recent softness in raw material prices

China steel exports and inventory (mn tons)



Global HRC Prices and gross spread¹ (US\$ per ton)

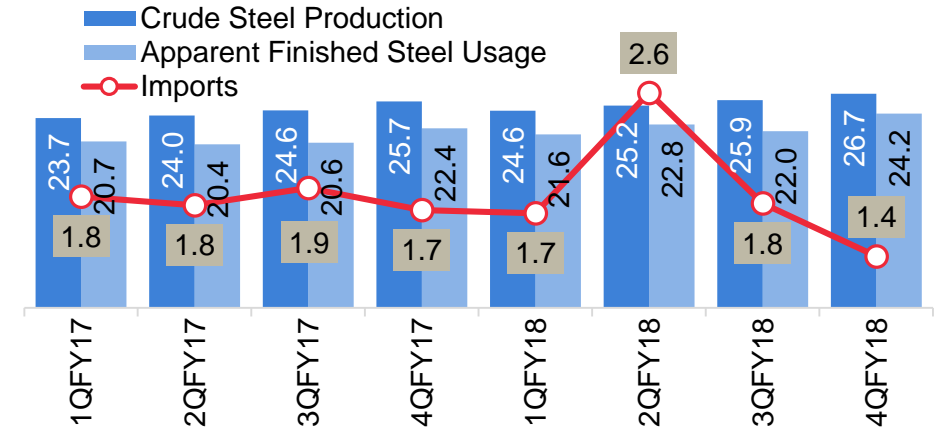


Source: Bloomberg, Morgan Stanley

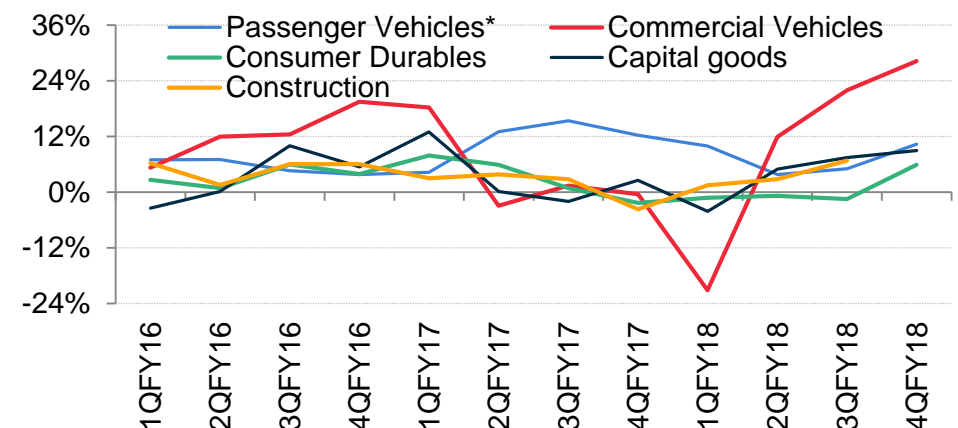
1. China HRC Export - China Weekly Hot Rolled Steel 3mm Export Price Shanghai, North Europe Domestic HRC - PLATTS TSI HRC N Europe Domestic Prod Ex-Mill, China Domestic HRC - China Domestic Hot Rolled Steel Sheet Spot Average Price, China HRC spot spreads = China HRC exports - (1.65 x Iron Ore Spot Price Index 62% + 0.7x SBB Premium Hard Coking Coal)

- Acceleration in economic activities in 4QFY18
- Steel demand grew by 8.2%YoY –
 - Government’s continued focus on infrastructure spending
 - Strong growth in automotive, capital goods and consumer durables segments
- Crude steel production increased by 3.7%YoY
- Domestic steel prices increased with improved demand; further supported by favourable regional price sentiments

Steel production, demand and imports (mn tons)



Key steel consuming sectors (% Change, YoY)

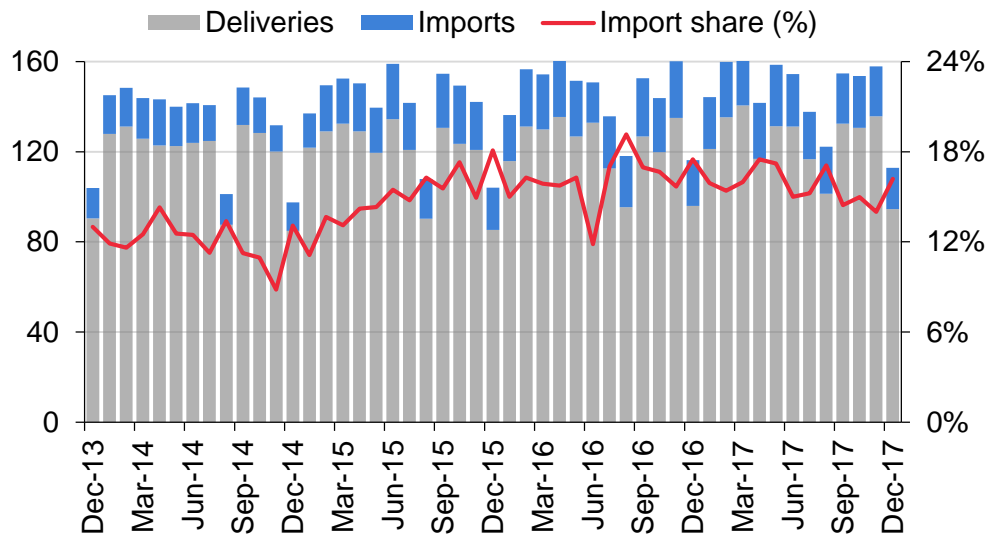


Source: Bloomberg, SIAM, MOSPI, Joint plant committee, World Steel Association

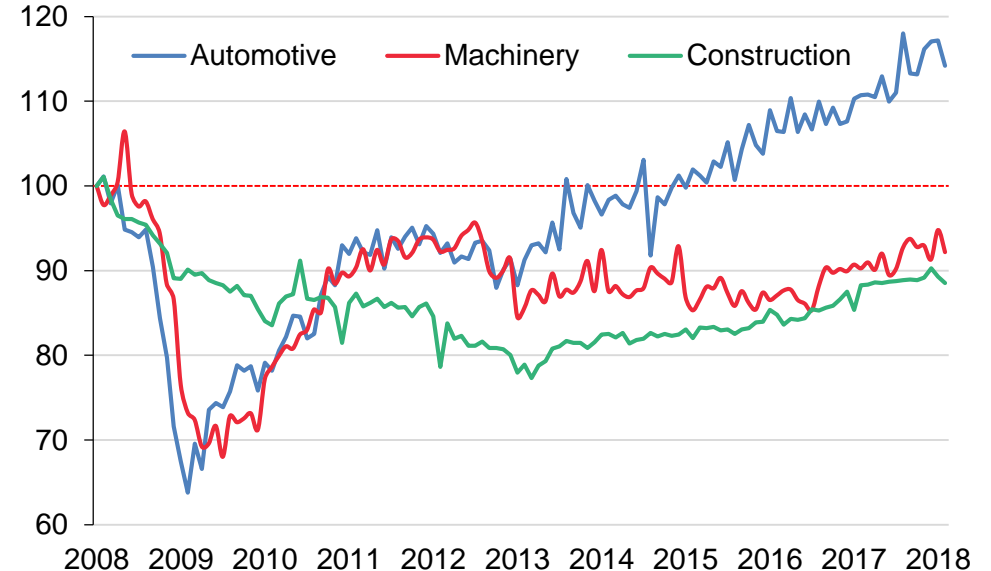
* Excludes two and three wheelers production

- Eurozone economy grew 0.4%QoQ in 1QCY18
- EU steel demand have grown by 1.6%YoY in 1QCY18, supported by growth across the main steel-using sectors
- The market share of imports of steel remains high

EU market supply (mn tons, annualized) and imports' share (%)



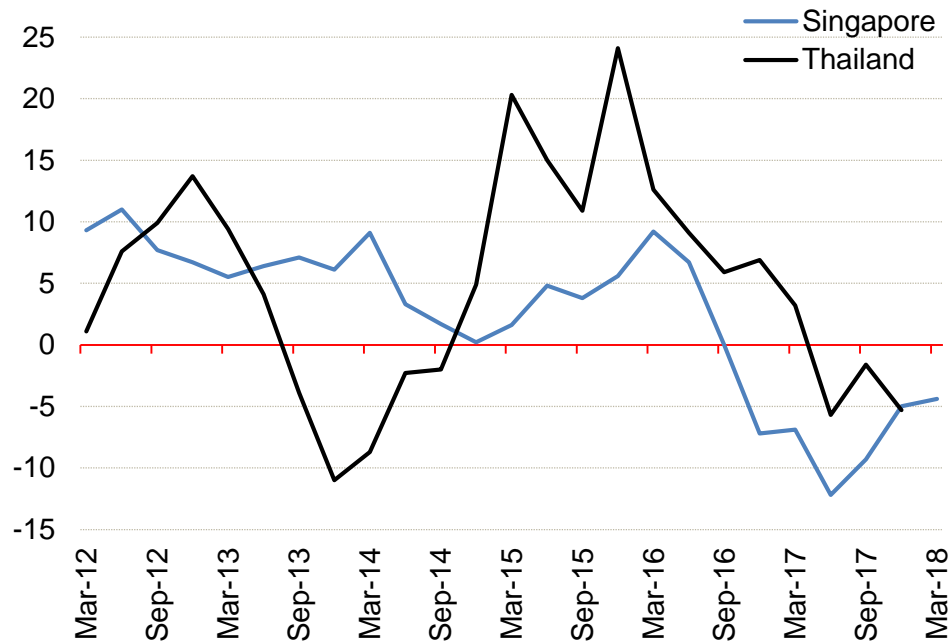
EU sector output¹ (Jan 2008=100)



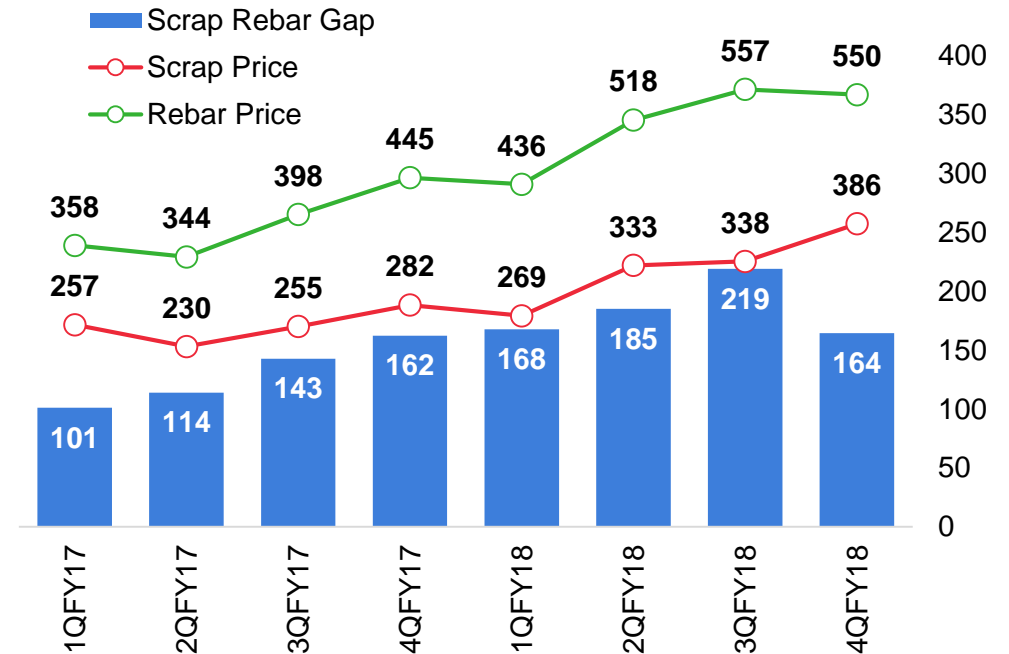
Source: Eurostat, Eurofer, 1. Realised output i.e. gross value added by the sector to the economy

- Long steel demand remained weak; Construction sector continues to remain sluggish in both Singapore and Thailand
- South East Asia rebar spreads declined due to sharp rise in scrap prices and weaker demand sentiments

Construction GDP (% Change, YoY)



South East Asia rebar-scrap spread (US\$/tonne)



Source: Bloomberg and ISSB, NESDB

Business Environment

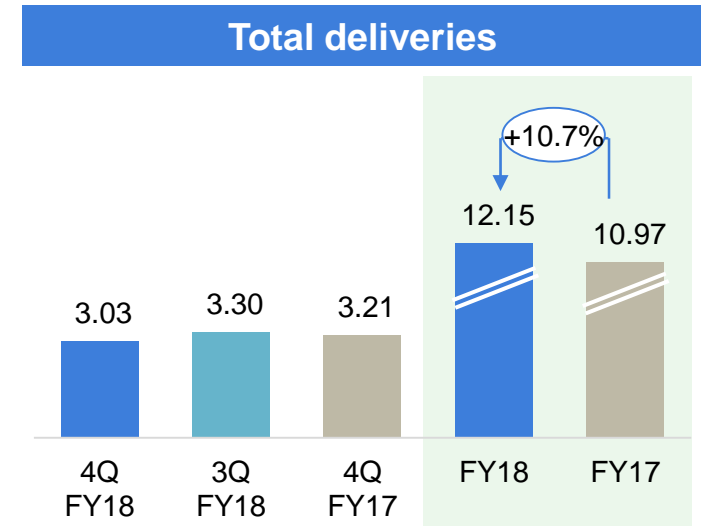
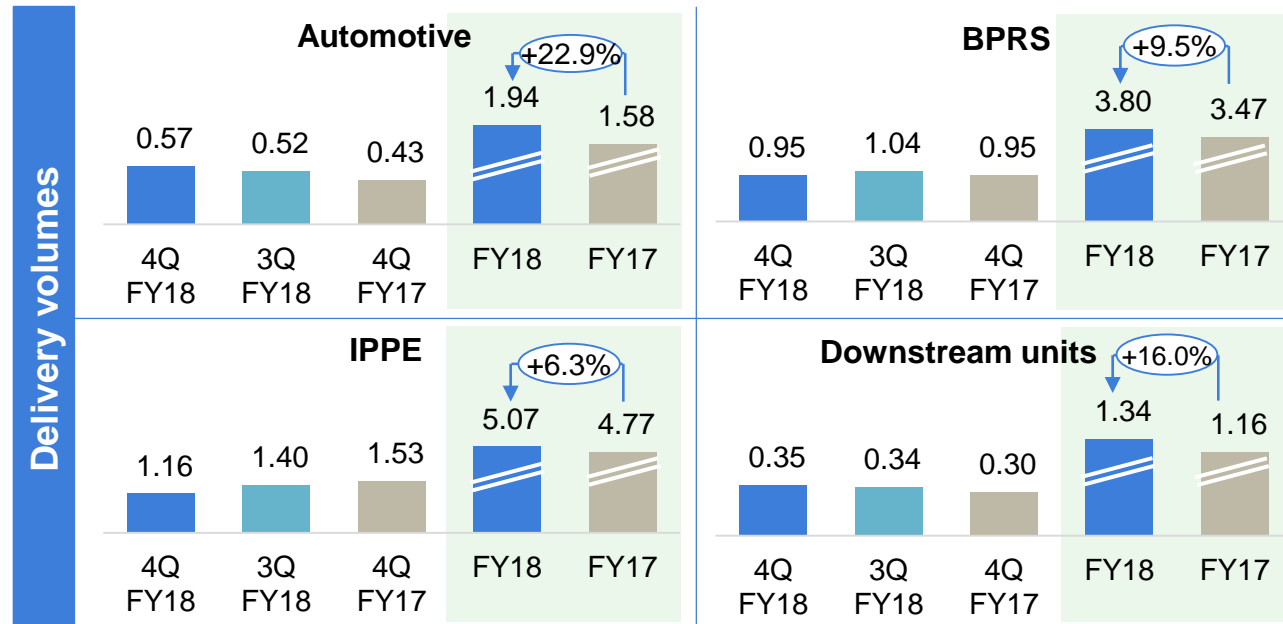
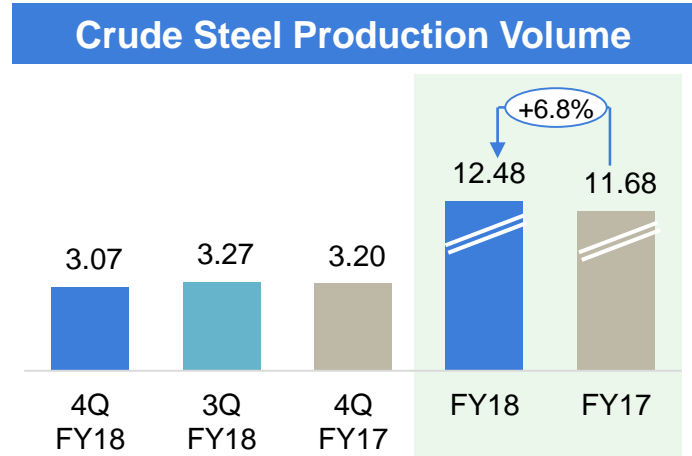
Operational Performance

Financial Performance

Appendix

During FY18:

- Production increased by 6.8% to 12.48 mn tons with ramp-up at Kalinganagar
- Deliveries grew by 10.7% to 12.15 mn tons vs. 7.9%* market growth



All volume data is in million tons; BPRS: Branded Products and Retail Solutions; IPPE: Industrial Products Projects and Exports

* India finished steel consumption growth as per Joint plant committee MIS Mar'2018



Market leading branded portfolio

Branded products sales contributes 46% of total sales; continues to grow



Unparalleled Pan India reach

BPRS touches 2.5 million customers across India



Market leader in Auto Steel

First choice for new car launches



Most enriched product mix

68% delivery volume of total sales from Enriched/Value added products



Lowest cost producer

Both cash cost and conversion cost are one of the lowest amongst the global peers



Focus on innovation and R&D

Launched new services & solutions; Launched 38 new products in FY18



Socially responsible corporate

CSR activities touches one million lives every year



Sustainable business model

Domestic benchmark on various parameters

Automotive



- ✓ Started commercial HR supply from Kalinganagar
- ✓ 17%YoY growth in High end Auto sales in FY18, driven by skin panel and hi-tensile sales
- ✓ Advanced Technical Support to customers; continues to partner with them in their localization drive; Value Analysis & Value Engineering workshops

Branded Products and Retail Solutions



- ✓ Integrated pan-India sales and distribution network with over 12,000 dealers and 123 distributors
- ✓ Early engagement with ECAs for value creation and early engagement portal for 'Individual Home Builders' through website
- ✓ Enhancing consumer connect for improved adoption & advocacy

Industrial products, Projects and export



- ✓ 2X growth in Engineering segment; increased market share in sub-segments like LPG cylinders and Medium carbon-High carbon steels.
- ✓ India's First Branded Welded Wire Fabric "Sm@rtFAB"
- ✓ "ProCONSTRUCT" – Redefining approach to construction market

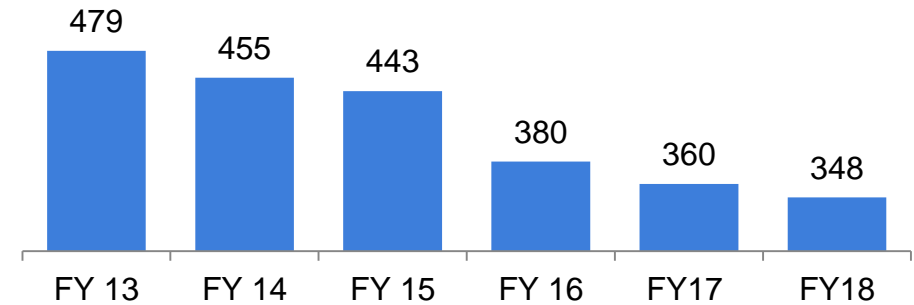
Downstream units



- ✓ Tubes: Steady growth in precision tubes for Automotive ; Launched "Tata Structura Z +" and "Tata Amrit" for B2C markets.
- ✓ Wires: Launch of PE coated LRPC, Wiron products and wire solutions for construction and infrastructure.

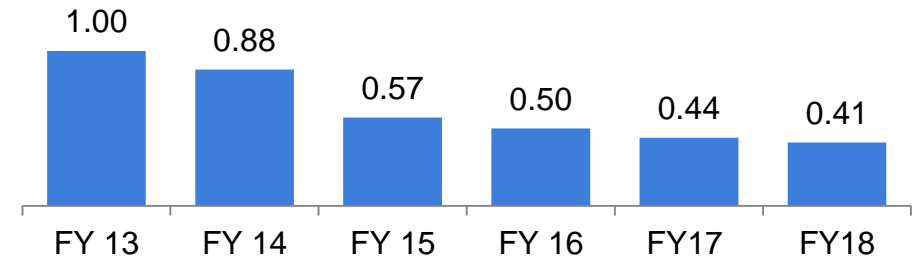
Coke Rate (kg/thm)

27.3% reduction since FY13



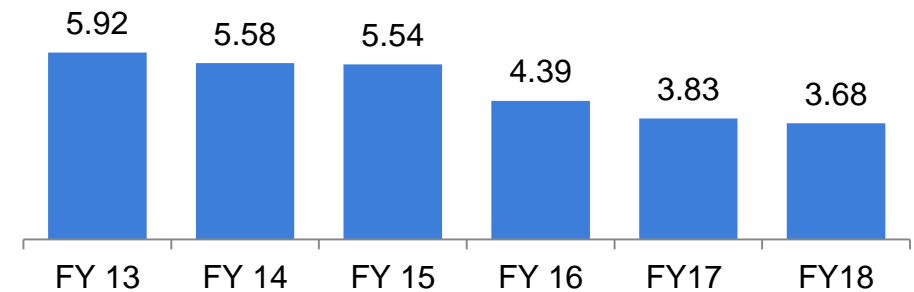
Specific dust emission (kg/tcs)

59% reduction since FY13



Specific water consumption (m³/tcs)²

37.8% reduction since FY13

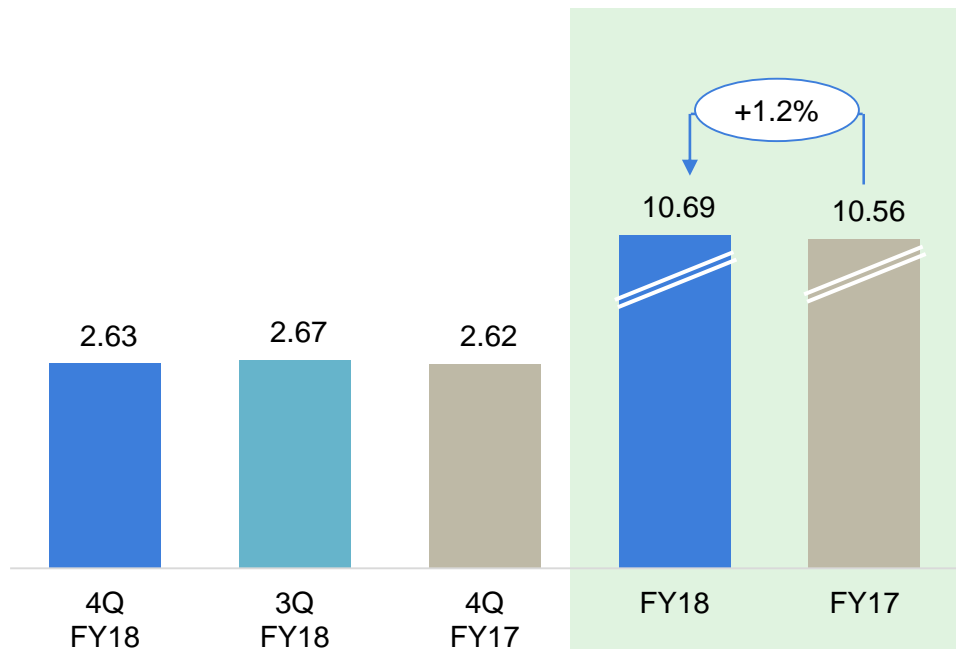


Note 1: All the above mentioned data is for Tata Steel Jamshedpur Operations

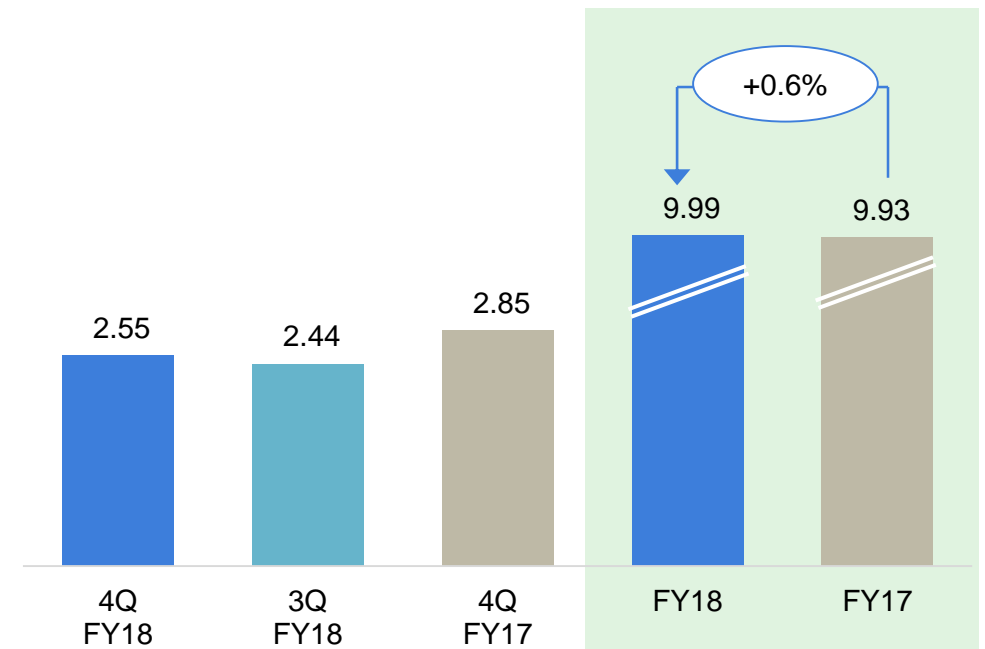
Note 2: Very close to global benchmark of 3.6 m³/tcs (POSCO, Ref WSA 2016)

- FY18 deliveries were marginally up; 4QFY18 deliveries were higher by 4.2% QoQ after the planned outages in 3QFY18
- Launched 23 new products for customers in FY18, including 10 in Q4 – new products included a Nickel plated steel for batteries used in electric vehicles.

Liquid Steel Production Volume (mn tons)

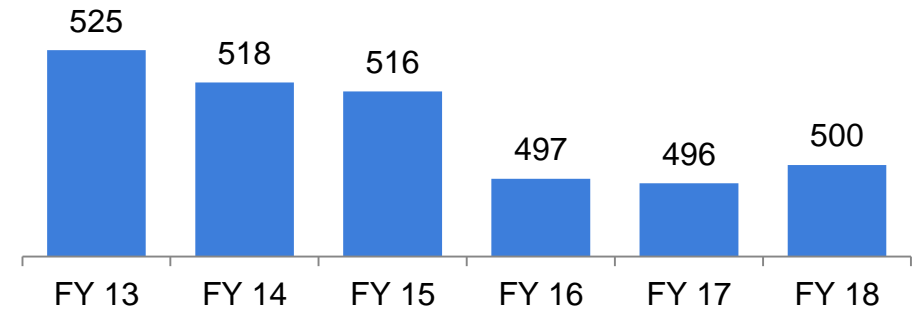


Saleable Steel Sales Volume (mn tons)



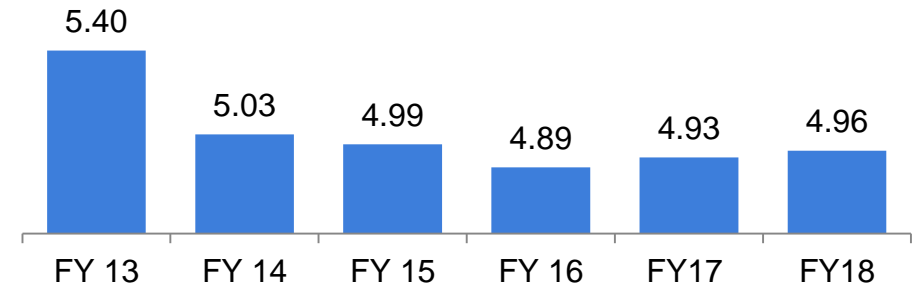
Specific Fuel Rate (kg/thm)

4.8% reduction since FY13



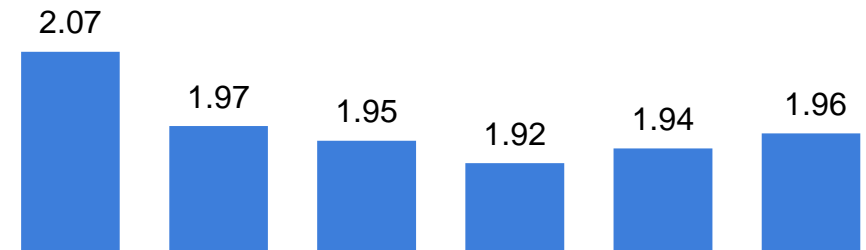
Specific energy intensity* (Gcal/tcs)

8.1% reduction since FY13



CO₂ emission intensity (tCO₂/tcs)

5.3% reduction since FY13

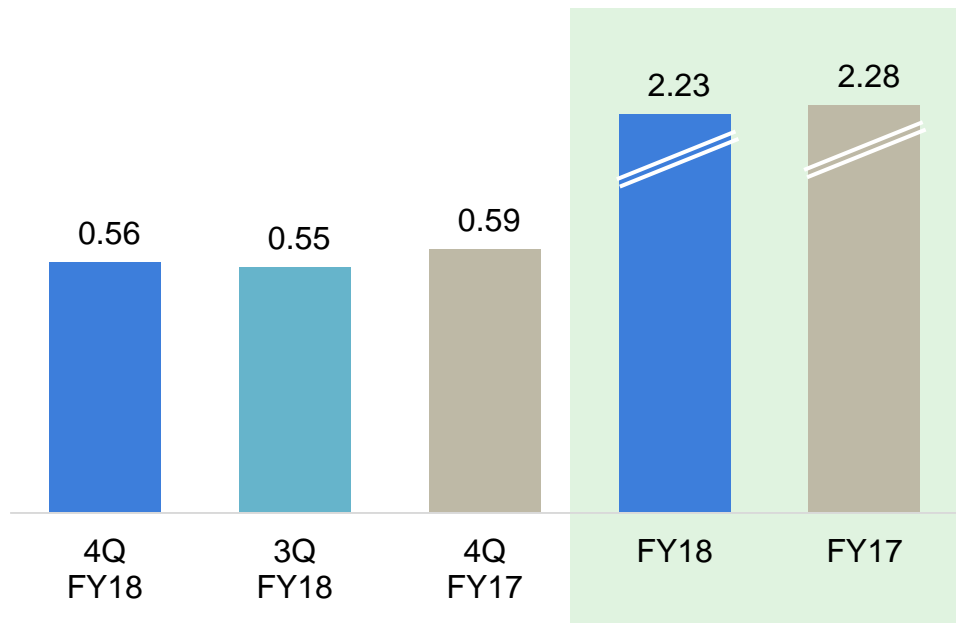


All the above mentioned data is for Tata Steel Europe

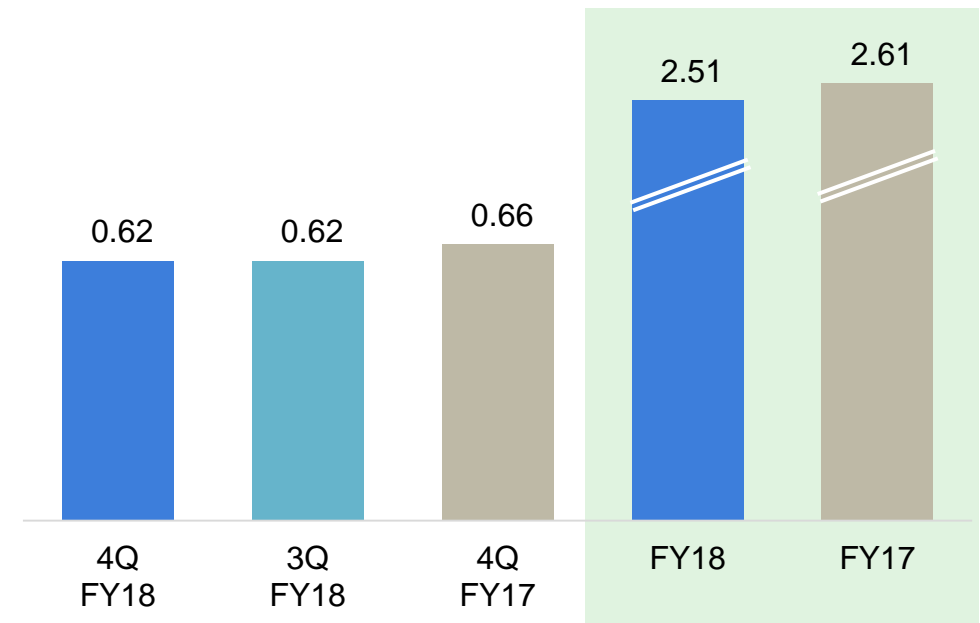
* Extrapolated to whole year from full IJmuiden data and 9 month Port Talbot data

- 4QFY18 delivery volumes were flat on QoQ basis:
 - Nat Steel Singapore deliveries were down by 5.0%QoQ due to weaker construction demand, accentuated by New Year holidays
 - Tata Steel Thailand deliveries improved by 4.7%QoQ amidst lower exports by China

Saleable Steel Production Volume (mn tons)



Saleable Steel Sales Volume (mn tons)



Steel demand	<p>India:</p> <ul style="list-style-type: none"> ○ Expect 6% steel demand growth in FY19 (5.5% in 2018 as per WSA) ○ Expect healthy growth in segments like Auto, Railway, Engineering, Construction, LPG, Tubers and Galvanizers ○ Imports may rise as US Tariffs on Steel has created uncertainly around global steel trade flows 	<p>Europe: demand is expected to grow by 2.3% in 2018 in line with economic growth; Imports pressure to continue</p>	<p>SEA: demand is expected to remain sluggish in 2018 with weaker private and public construction investments</p>
Steel prices	<p>India: expect prices to be range bound in the upcoming monsoon season</p>	<p>Europe: expect prices to remain stable; China has announced additional production curb post winter curbs</p>	
Raw material prices	<p>Iron Ore: expect prices to remain below \$70/t in the long run, in well supplied market</p>	<p>Coking Coal: prices have come down post resolution of seasonal supply disruptions, expected to remain range bound</p>	

Business Environment

Operational Performance

Financial Performance

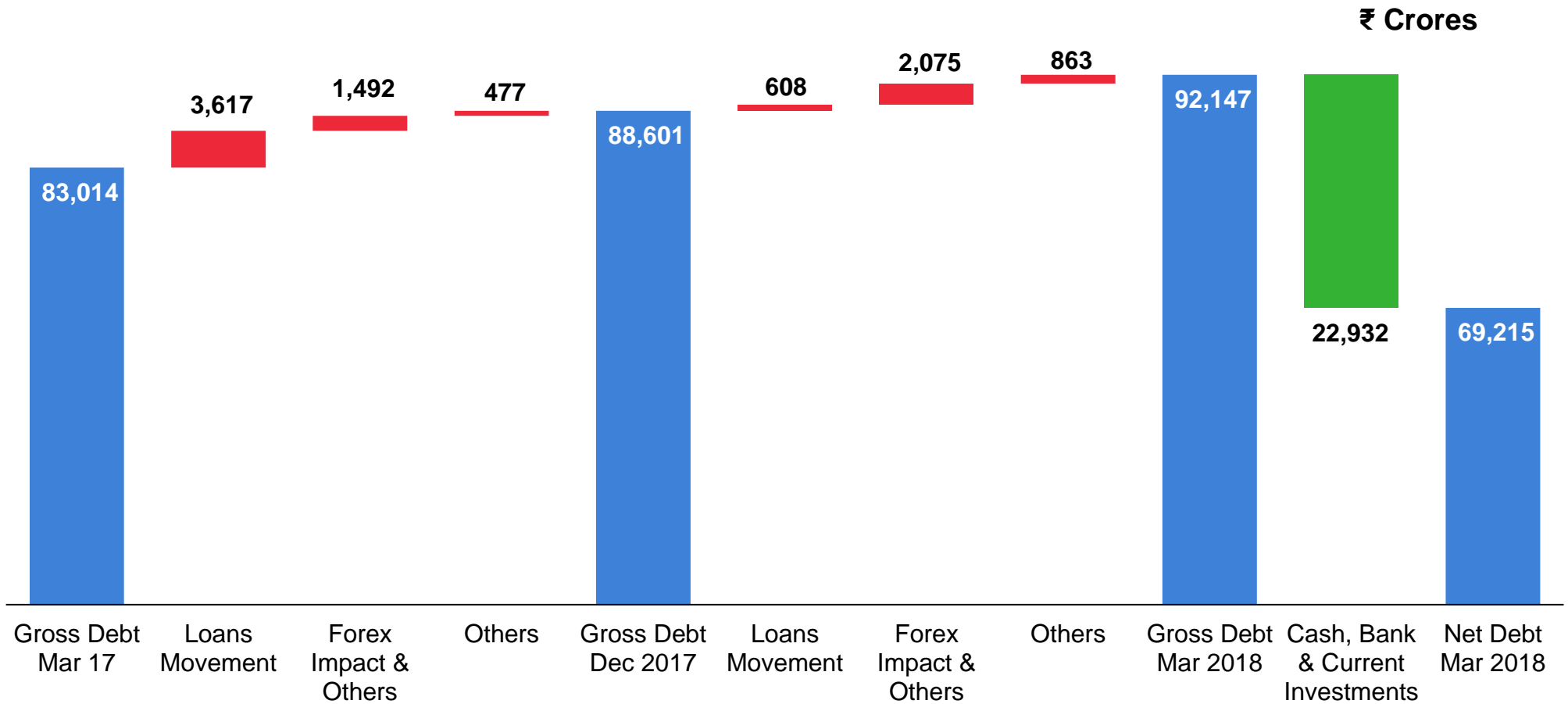
Appendix

Rs Crores	Consolidated					India				
	4QFY18	3QFY18	4QFY17	FY18	FY17	4QFY18	3QFY18	4QFY17	FY18	FY17
Turnover	36,132	33,447	35,305	133,016	117,420	16,281	15,596	17,113	60,519	53,261
Raw material cost ¹	13,210	12,980	12,742	52,208	43,843	4,211	4,302	4,454	17,525	13,378
Change in inventories	467	148	(295)	(44)	(4,538)	102	429	96	545	(1,330)
EBITDA	6,579	5,801	6,982	22,045	17,025	4,823	4,647	4,324	15,800	11,944
EBITDA/t	10,231	8,836	10,228	8,725	7,132	15,932	14,094	13,478	13,003	10,893
Pre exceptional PBT from continuing operations	3,839	3,210	4,328	11,511	6,798	3,363	3,226	2,697	10,005	6,060
Exceptional Charges	11,376	(1,116)	(4,069)	9,599	(4,324)	(1,607)	(1,115)	(442)	(3,366)	(703)
Profit/(Loss) from Discontinued operations	49	(8)	(451)	58	(3,864)	-	-	-	-	-
Reported PAT	14,688	1,136	(1,168)	17,763	(4,169)	1,031	1,338	1,415	4,170	3,445
Basic EPS (For continuing and discontinued operations)	96.86	12.07	(11.84)	128.12	(42.89)	9.38	12.55	13.32	38.57	31.74

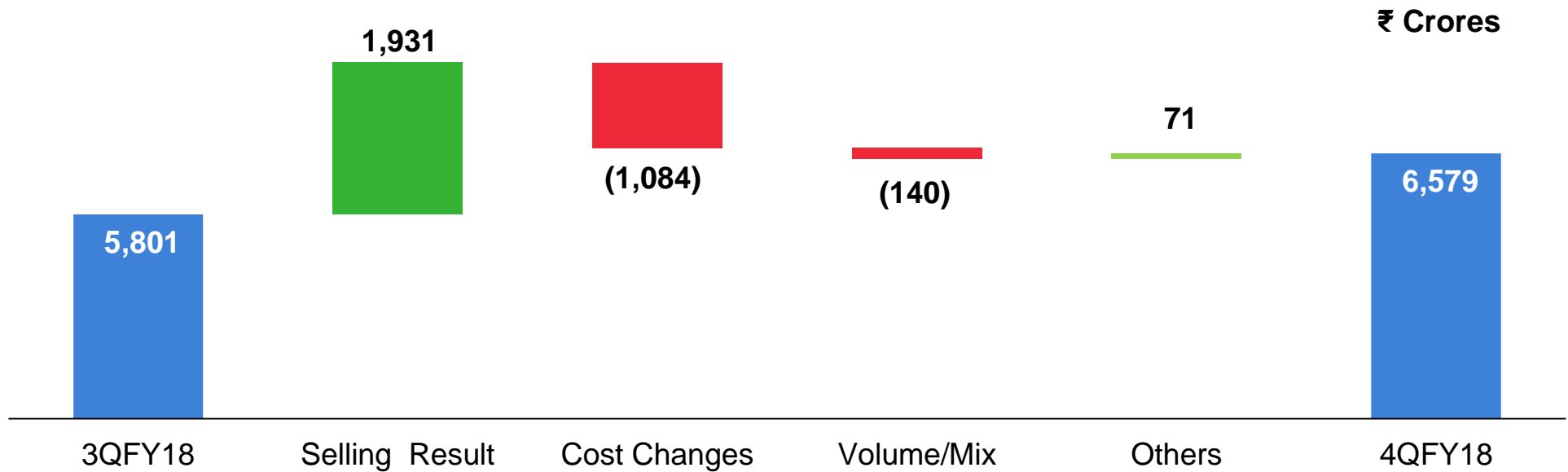
1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products, All figures on a continuing operations basis (excluding Longs Products Europe and Specialty steel UK Limited) , India turnover is Net of GST with effect from 1st July 2017

Rs Crores	Europe					SEA					Others & Eliminations				
	4QFY18	3QFY18	4QFY17	FY18	FY17	4QFY18	3QFY18	4QFY17	FY18	FY17	4QFY18	3QFY18	4QFY17	FY18	FY17
Turnover	16,208	14,693	15,244	59,985	52,085	2,631	2,492	2,275	9,542	8,245	1,013	666	674	2,970	3,829
Raw material cost ¹	7,089	6,659	6,639	27,429	22,400	1,818	1,882	1,644	6,706	5,808	92	137	5	548	2,257
Change in inventories	214	15	(287)	(366)	(2,663)	(0.5)	(201)	(190)	(143)	471	(95)	(95)	86	(80)	(1,017)
EBITDA	1,154	632	1,972	3,792	4,705	95	184	145	437	528	506	338	540	2,016	(152)
EBITDA/t	4,535	2,589	6,932	3,795	4,738	1,535	2,959	2,189	1,740	2,023	-	-	-	-	-

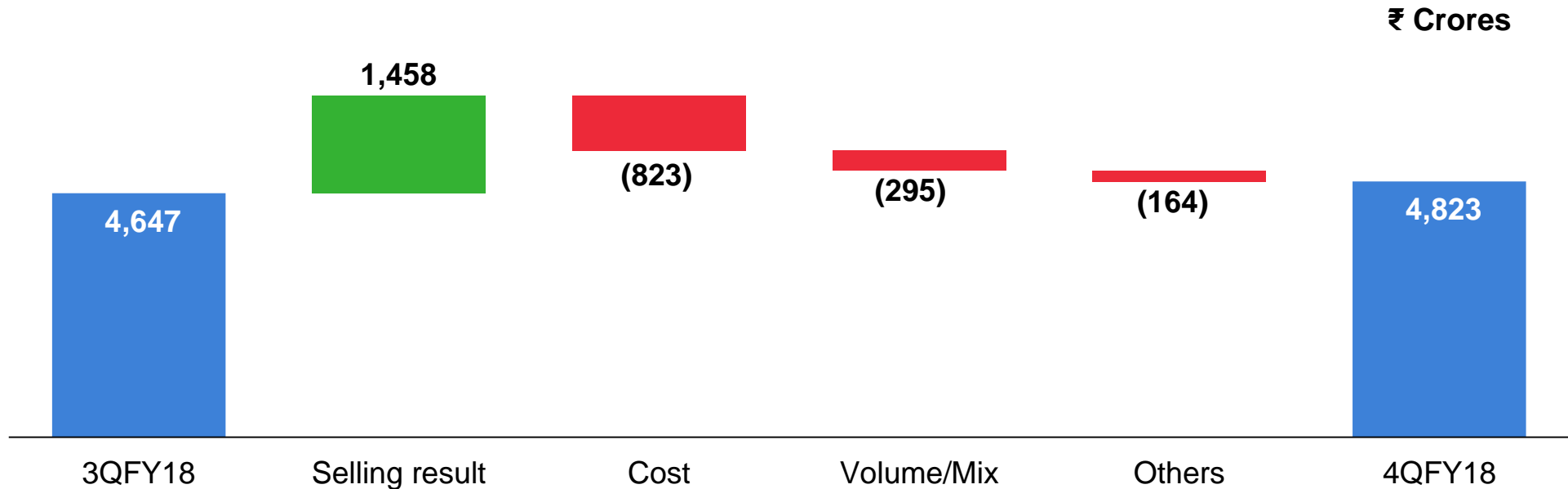
1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products, All figures on a continuing operations basis (excluding Longs Products Europe and Specialty steel UK Limited)



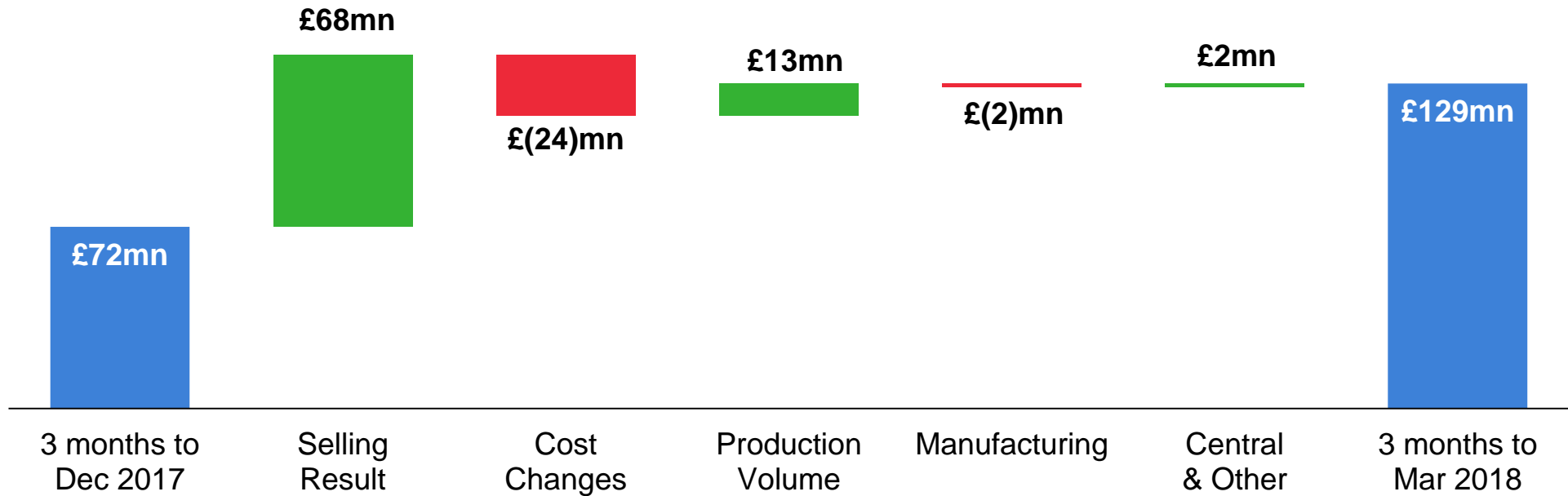
Group EBITDA movement – 4QFY18 Vs. 3QFY18



- Better realisations across the geographies improved selling result
- Increase in cost mainly in India along with increase in Raw material cost in Europe.
- Volume/mix impact is lower primarily due to lower sales volumes at Tata Steel India



- Selling results increase with better steel realisations
- Increase in cost mainly due to wage revision arrears, lower absorption of fixed cost due to lower production and slightly higher imported coal prices
- Adverse volume/mix impact due to lower volumes



- Improved selling result due to increased prices, selling volumes and selling mix
- Higher raw material prices increased cost
- Production volume increased at mills and downstream units as 3Q was impacted by planned maintenance stops
- Manufacturing and Central & Other were broadly stable

Kalinganagar plant – 5MTPA expansion

- ✓ Engineering work is progressing as per plan; Construction work for steel making plant has started
- ✓ Expansion includes investments in upstream facilities, 2.2 MTPA Cold Rolling Mill and raw material facilities.
- ✓ Project cost is Rs.23,500 crores; Rs.16,500 crores up to HRC stage and balance on raw material facilities and 2.2MTPA cold rolling mill.
- ✓ Commissioning: 48 months from zero date

Update on rights issue

- ✓ Successfully completed Rs.12,693 crores rights issue
- ✓ The issue was oversubscribed – 1.20x for fully paid shares and 1.28x for partly paid shares, excluding subscription by Tata group

Update on UK Pension

- ✓ The entire process for the UK pension restructuring is now complete with the new British Steel Pension Scheme (New Scheme) having been set up in Mar 2018. 69% members have transferred to the new scheme.
- ✓ The New Scheme has a non-cash £2.2bn accounting surplus under IAS19; the surplus will continue to support the pension scheme allowing it to run its required low risk investment strategy
- ✓ This is an optimal and sustainable outcome for pensioners, current employees and the UK business

Business Environment

Operational Performance

Financial Performance

Appendix

Standalone Results – QoQ Variations

Rs Crores	4QFY18	3QFY18	Key Reasons
Gross Sales	15,946	15,310	Increase in realisations partly offset by lower volumes from TSK
Other operating income	335	286	Higher export related benefits
Raw materials consumed	3,998	4,211	On account of lower production
Purchases of finished, semis & other products	213	91	Impact of inventory movement
Changes in inventories	102	429	Drawdown of inventory due to lower production
Employee benefits expenses	1,409	1,147	Provision for wage revision, partly offset by decrease in expense due to change in actuarial assumptions
Depreciation & amortisation	935	914	In line with previous quarter
Other expenses	5,750	5,090	Higher purchase of power and stores & spares along with higher maintenance cost, and increase in Royalty.
Other income	220	182	Higher income from mutual funds
Finance cost	731	670	Higher amortization of TSK loan issue expenses
Exceptional Items	1,607	1,115	Primarily on account of provision for statutory demand and claim related to environment and mining matters
Tax	725	773	In line with lower PBT
Other comprehensive income	13	136	Re-measurement gains on actuarial valuation of employee benefits offset by loss on fair value adjustments of non-current investments

Consolidated Results– QoQ Variations

Rs Crores	4QFY18	3QFY18	Key Reasons
Income from operations	35,737	33,100	Improved realisations across geographies and higher deliveries in Europe
Other operating income	395	347	Increased primarily in India
Raw materials consumed	10,370	10,202	In line with previous quarter
Purchases of finished, semis & other products	2,840	2,778	In line with previous quarter
Changes in inventories	467	148	Impact of inventory movement
Employee benefits expenses	4,583	4,426	Primarily in Tata Steel India offset by reduction in provident and other funds contribution in Europe
Depreciation & amortisation	1,512	1,475	Almost at par with previous quarter
Other expenses	11,374	10,196	Increase primarily in India and at Europe on account of higher stores & spares partly offset by lower repairs and maintenance cost
Other income	275	226	Increased primarily in India
Finance cost	1,481	1,327	Primarily related to India
Exceptional Items	11,376	(1,116)	Primarily due to non-cash gain in Europe with formation of new BSPS scheme, partially offset by provisions in India
Tax	576	951	Tax credit due to increase in tax losses recognised for deferred tax purposes at Europe
Other comprehensive income	4,509	189	Re-measurement gain on actuarial valuation of employee benefits



Investor enquiries :

Sandep Agrawal

Tel: +91 22 6665 0530

Email: Sandep.agrawal@tatasteel.com