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PRESS RELEASE

May 25, 2011

Tata Steel records US\$2bn Profit After Tax for the year 2010-11

Tata Steel Limited today declared Audited Consolidated Financial Results for the full year ending March 31, 2011.

The 2010-11 financial year (FY'11) featured record deliveries and profits from Tata Steel's Indian operations and a significant turnaround in financial and operating performance in Europe.

Group Performance Highlights:

- **Tata Steel Group recorded profit after tax** of ₹8,983 crores (US\$2,015 million) in FY'11, an improvement of ₹10,992 crores (US\$2,466 million) over the loss of ₹2,009 crores (US\$451 million) in FY'10.
- **Tata Steel Group recorded EBITDA** of ₹17,103 crores (US\$3,836 million) for the full year, 83% higher than the EBITDA of ₹9,340 crores (US\$2,095 million) in FY'10.
- **The Indian operations'** profit after tax of ₹6,866 crores (US\$1,540 million) and EBITDA of ₹12,225 crores (US\$2,742 million) were the highest ever on the back of higher volumes, improved product-mix and higher realisations.
- **The European operations** recorded robust improvement, posting an EBITDA of ₹4,204 crores (US\$943 million), an increase of ₹5,555 crores (US\$1,246 million) over FY'10. Higher sales and realisations along with cost-cutting measures, initiated in the aftermath of the financial crisis, lay behind this performance. However, the Long Products business continues to face significant challenges and the Company accordingly announced restructuring initiatives earlier this month.
- **The sale of Teesside Cast Products** (a slab manufacturing facility mothballed in February 2010) was completed in March 2011 in a deal valuing the business at ₹2,091 crores (US\$469 million).
- **Net debt** at the end of March 2011 at ₹46,632 crores (US\$10.46 billion) fell from ₹52,836 crores (US\$11.85 billion) at the end of the previous quarter.
- The 2.9 million tpa brownfield expansion in Jamshedpur is progressing on schedule. The Company has also begun site work on its greenfield project in Odisha.
- **The Board of Directors of the Company has recommended a dividend** of ₹12 per equity share for the financial year ended March 2011.

1. Financial Performance Analysis:

Consolidated Financial results summary (under Indian GAAP) for the year ending March 31, 2011

All figures in US\$ mn, unless specified

Q4 FY'11	Q3 FY'11	Q4 FY'10	HIGHLIGHTS	FY'11	FY'10
6.54	5.68	6.30	Steel Deliveries (Mn tons)	23.54	23.61
7,586	6,524	6,169	Turnover	26,635	22,966
1,055	757	1,196	EBITDA	3,836	2,095
13.9	11.6	19.4	EBITDA Margin (%)	14.4	9.1
262	253	245	Depreciation	990	1,007
172	167	148	Net Finance Charges	621	678
1,127	353	716	Profit before Taxes (after Exceptional Items)	2,714	7
14.9	5.4	11.6	PBT Margin (%)	10.2	0.03
937	225	546	Profit after Taxes, Minority Interest and Share of Associates	2,015	(451)
12.4	3.4	8.9	PAT Margin (%)	7.6	(2.0)

For the purposes of converting all financial numbers to US\$ for all comparable periods, a US\$/₹ exchange rate of 44.585 has been used throughout this document.

Executive Comment

Tata Steel Managing Director Mr HM Nerurkar said: "The Indian operations registered a 36% increase in annual profits because of favourable market conditions and the untiring efforts of employees to exceed targets. We enjoy an excellent position in India compared to our global peers to counter cost pressures, given the growing domestic market, a higher proportion of value-added products and a sizeable increase in capacity by the end of the financial year. The Odisha project is gaining momentum and its first phase is expected to be commissioned by the end of 2014. The South East Asian operations focused on tackling a challenging business environment and are now better placed to take advantage of improving market conditions."

Tata Steel Europe MD & CEO Dr Karl-Ulrich Köhler said: "Our encouraging fourth-quarter performance consolidated the turnaround in the European operations achieved during the year. Higher selling prices and deliveries gave us a particularly strong end to the quarter, with additional one-off financial benefits from items such as the completion of the Teesside Cast Products sale. Our strategy, founded on four building blocks of market differentiation, technical innovation, cost leadership and operational excellence, is starting to deliver early successes as we focus on customer relationships. The measures announced last week in Long Products show our determination to complete the turnaround task and create a very competitive business that delivers robust performance in all market conditions."



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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:

For media enquiries contact:

Praveen Sood

Tel : + 91 22 6665 7306

e-mail : p.sood@tatasteel.com

Bob Jones

Tel : + 44 207 717 4532

e-mail : bob.jones@tatasteel.com

Subhra Kanti Das

Tel: + 91 22 6665 7301

e-mail : subhra.das@tatasteel.com

Prabhat Sharma

Tel : + 91 657 242 5216

e-mail : prabhat.sharma@tatasteel.com