



February 9, 2018

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Maharashtra, India.
Scrip Code: 500470

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.
Maharashtra, India.
Symbol: TATASTEEL

Dear Sir, Madam,

Sub: Press Release

Please find enclosed the press release titled "**Tata Steel Limited today reported its results for the quarter ended December 31, 2017 and nine months ended December 31, 2017**"

This disclosure is made in compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking you.

Yours faithfully,
Tata Steel Limited

Mrs. Anita Kalyani
Interim Company Secretary

Encl: As above

TATA STEEL LIMITED

Registered Office Bombay House 24 Homi Mody Street Mumbai 400 001 India
Tel 91 22 6665 8282 Fax 91 22 6665 7724 website www.tatasteel.com
Corporate Identity Number L27100MH1907PLC000260

Mumbai, February 09, 2018

Tata Steel Limited today reported its results for the quarter ended December 31, 2017 and nine months ended December 31, 2017.

- Consolidated quarterly deliveries of 6.56 million tons, up by 8%YoY and 2%QoQ; India deliveries now contribute to ~50% of Group deliveries
- Consolidated quarterly revenues of Rs.33,447 crores, up by 15%YoY and 3%QoQ.
- Consolidated quarterly EBITDA at Rs.5,801 crores, up by 59% YoY and 23% QoQ with an EBITDA margin of 17%
- Consolidated underlying PBT at Rs.3,210 crores, increased from Rs.1,000 crores in 3QFY17 and Rs.2,170 crore in 2QFY18
- Gross debt has decreased by Rs.1,658 crores over Q2 FY18 and stood at Rs.88,601 crores mainly due to repayments and positive forex impact
- The liquidity position of the group remains very robust with approximately Rs.22,544 crores comprising of Rs.12,681 in cash and cash equivalents and Rs.9,863 in undrawn bank lines
- The capital expenditure for the quarter was Rs.2,002 crores

Tata Steel Standalone and Consolidated Highlights

(Figures in Rs. crore unless otherwise specified)

As per Ind AS	Standalone			Consolidated ¹		
	Q3FY18	Q2FY18	Q3FY17	Q3FY18	Q2FY18	Q3FY17
Production (million tons) ²	3.27	3.20	3.15	6.49	6.41	6.37
Steel Deliveries (million tons)	3.30	3.08	2.99	6.56	6.45	6.07
Turnover	15,596	14,221	14,106	33,447	32,464	29,025
EBITDA	4,647	3,408	3,393	5,801	4,726	3,647
Pre-Exceptional PBT from Continuing Operations	3,226	2,003	1,838	3,210	2,170	1,000
Exceptional Charges	(1,115)	(27)	(42)	(1,116)	(45)	(29)
PAT from Continuing Operations	1,338	1,294	1,205	1,144	988	273
PAT from Discontinued Operations	-	-	-	(8)	30	(41)
Reported PAT	1,338	1,294	1,205	1,136	1,018	232
Other Comprehensive Income	136	(81)	(558)	189	(4,234)	292
Total Comprehensive Income	1,474	1,213	646	1,325	(3,217)	524
EPS (Continuing & Discontinued Operations) (Rs.)	13.33	12.87	11.95	12.81	10.04	1.94

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:**

- Crude Steel production grew by 4%YoY and 2%QoQ to 3.27 million tons in 3QFY18
- Deliveries grew by 10%YoY and 7%QoQ to 3.30 million tons in 3QFY18, far higher than the steel consumption growth in India of 7% YoY and 1%QoQ.
- Revenues during the quarter (net off the impact of excise) were higher by 22%YoY and 10%QoQ primarily due to higher deliveries and improved realizations.
- EBITDA for the quarter stood at Rs.4,647 crores, registering a 37%YoY and 36% QoQ growth driven by improved realisations in domestic market and higher volumes.
- Sales growth was broad based with best ever performance across verticals. Automotive segment sales increased by 25% QoQ and 34% YoY with 22%YoY growth in hi-end automotive steel sales. Branded products, Retail & Solutions segment sales grew 8% QoQ and 11% YoY. Deliveries in the Industrial Products, Projects & Exports segment grew 4%QoQ and 7%YoY; the Engineering sub-segment registered 2x growth on YoY basis.
- Exceptional charges of Rs.1,115 crores represents provision (net of reversal) recognized in respect of certain demands and claims from regulatory authorities relating to mining operations.

European Operations:

- Liquid steel production of 2.67 million tons in 3QFY18; up by 1%YoY and 2%QoQ.
- Deliveries at 2.44 million tone in 3QFY18 were higher by 4%YoY, however, lower by 6% on QoQ basis due to seasonality and planned outages across the business for upgrades designed to strengthen sales of higher-value differentiated products
- Revenues, in GBP terms, were higher by 18%YoY reflecting higher steel prices but 4% lower on QoQ basis with lower deliveries.
- EBITDA was lower on both QoQ and YoY basis mainly due to increased maintenance spend and lower yields during planned outages.

South-East Asian Operations:

- Revenue for South East Asia operations increased by 26%YoY and 3%QoQ to Rs.2,492 crores in 3QFY18.
- EBITDA improved by 45%YoY and 36%QoQ to Rs.184 crores due to better spread management partly offset by lower deliveries.

Corporate Developments:

- The Board has approved a 5 MTPA expansion at Tata Steel Kalinganagar. Total estimated project cost is Rs.23,500 crores including augmentation of raw material facilities and investment in 2.2MTPA cold rolling mill facility. The project will be completed in 48 months from zero date.
- The Company's Kalinganagar Plant had to shut down its Blast Furnace for unplanned major repairs following a sudden failure in the auxiliary equipment. As the downstream operations are integrated with

the blast furnace, consequently, the Steel Melting Shop and Hot Strip Mill have also been shut down. The revival process of the blast furnace is currently underway and the Company expects to restart the furnace in the next 7 to 10 days. The Company is ensuring that it meets its customer commitments from existing inventory and the Jamshedpur Plant.

- The Board has approved a rights issue of equity shares for an amount not exceeding Rs.12,800 crores. The proceeds will be used for the purpose of deleveraging and general corporate purposes. The issue will open on 14th Feb, 2018 and will close on 28th Feb, 2018.
- The company has successfully raised US\$1.3bn through dual tranche unsecured bonds comprising of: a) US\$300mn, 4.45% bonds due on July 24, 2023, and b) US\$1.0bn 5.45% bonds due on January 24, 2028.
- The company has concluded the acquisition of 74% of equity shares of Bhubaneswar Power Private limited (BPPL) for a consideration of Rs.255 crores, making it a 100% subsidiary. The acquisition provides an opportunity to increase captive source of power to meet company's growing demand.
- The company has acquired full intellectual property rights in Hlsarna technology which has the potential to reduce energy use and carbon emissions by at least 20%, as well to reduce the steel making costs through lower-priced raw materials.
- Post the signing of the memorandum of understanding for joint venture with thyssenkrupp in 2017 to create a leading European steel enterprise, the company has started due-diligence. The company expects to complete due-diligence and sign definitive agreements for the joint venture by the end of 4QFY18.

Management Comments:

Mr. T V Narendran, CEO & Managing Director:

Globally steel prices have been buoyant with improved trade position in China along with cost push from raw materials. Over the last nine months, we delivered strong consolidated operational performance across geographies and we expect this momentum to continue as markets are expected to remain favorable.

In India, we have witnessed strong volume growth across the verticals as well as an increase in realisations. Our European operations performance was marginally lower, due to seasonal pressures as well planned maintenance and upgrades designed to strengthen operations and our long-term capability. Our South East Asian business has delivered strong performance due to better management of spreads.

Our focus on India continues as we look to expand our Kalinganagar site as well as pursue inorganic growth opportunities. We are progressing well on the JV with thyssenkrupp and are committed to building a long term investment in strong European portfolio."

Mr. Koushik Chatterjee, Executive Director and CFO:

"Tata Steel group revenues witnessed robust growth driven by improved volumes in India and stronger realizations across geographies, on the back of the improvement in commodity prices and an expansion in spreads globally. Our quarterly consolidated EBITDA registered a 23% growth on sequential basis with EBITDA margin of 17%. Gross debt during the quarter has come down by Rs.1,658 crores mainly due to

Page 3 | 4

ay



repayments and forex impact. The liquidity position of the group remains very robust with Rs.22,544 crores in cash and cash equivalents and undrawn bank lines. The capital expenditure for the quarter was around Rs.2,002 crores.

We continue to focus on opportunistically raising capital and optimising our financing flexibility. We recently refinanced some of our debt by raising US\$1.3bn in the international debt capital markets through a dual tranche bond issuance. This has helped us to further improve our debt maturity profile, diversify our investor base and reduce our cost of debt. We have also announced a rights issue of Rs.12,800cr to strengthen our balance sheet and help us gear up for the next phase of growth.”

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.

For media enquiries contact:**Kulvin Suri**

Tel: +91 657 664 5512/ +91 92310 52397

Email: kulvinsuri@tatasteel.com**Rob Simpson**

Tel: +44 207 717 4404/ +44 7990 786 531

Email: rob.simpson@tatasteel.com