

- Translation -

TSTH 117/2552 SC/ AG/ CI/ WS

August 14, 2009

To: President  
The Stock Exchange of Thailand

Subject: Clarification of the Company's Operating Results for the first quarter of 2009-2010  
(April - June 2009)

Tata Steel (Thailand) Public Company Limited ("Company") would like to clarify the Company's operating results for the first quarter of 2009-2010 (April - June 2009) as the followings:

**1. Operating Results**

**1.1 Net Sales**

In Q1/2009-2010, the Company recorded net sales of Baht 4,531 million, occurred from the sales volume of 265,000 tons (Q4/2008-2009: Baht 4,084 million from sales volume of 230,000 tons), representing an increase of 11% and 15%, respectively. It is on account of increasing demand from the customer. The selling price of this quarter was Baht 17,200 per ton or decreased by Baht 600 per ton. This was due to the slightly falling of billet price from the last quarter.

When compared to net sales of Baht 11,180 million from sales volume of 351,000 tons in Q1/2008-2009, it is a decrease of 59% and 27%, respectively. The sales volume was decreased by 87,000 tons and average selling price decreased by Baht 14,700 per ton, respectively. The main reasons were the dropping of domestic economy, less demand from public sector and no new government projects.

**1.2 Net Profit (Loss)**

Net loss of Q1/2009-2010 was Baht 168 million (Q4/2008-2009: Profits of Baht 18 million), representing a decrease of Baht 186 million against the previous quarter. The main reason was due to the decreased selling price of Baht 600 per ton.

When compared to net profit of Baht 2,121 million in Q1/2008-2009, the decrease in profit represented of Baht 2,289 million. The main reason was due to the fall in selling price by Baht 14,700 per ton. The conversely, Cost of goods sold decreased by Baht 5,600 per ton, resulting in gross margin decrease of Baht 9,100 per ton.

## 2. Financial Status

### 2.1 Assets

As on June 30, 2009, the total assets were Baht 24,948 million, decrease by Baht 81 million lower than the previous quarter. This occurred as Inventory decreased by Baht 1,438 million; mainly due to the decrease in goods in transit by baht 1,343 million. Cash and Cash in Bank and Current Investment, Trade Account Receivable increase by Baht 917 million and 194 million, respectively. It was a resultant of increasing of net sales. Properties, Plant and Equipment increase by Baht 111 million, it resulted from an increase of Mini Blast Project by Baht 306 million and increase in depreciation by Baht 207 million. The accumulated capital expenditure of Mini blast project as at June 30, 2009 is in the amount of Baht 3,060 million.

### 2.2 Liabilities and Shareholders' Equity

As on June 30, 2009, the total liabilities were Baht 8,967 million, increased by Baht 88 million or increased 1% over previous quarter. The main reason was the increase of Other Current Liabilities by Baht 150 million from retention of Mini Blast Project. Trade Account Payable decreased by Baht 67million from imported billet payment.

The shareholders' equity as on June 30, 2009 were Baht 15,981 million, decrease by Baht 168 million lower than previous quarter due to net loss in this quarter by Baht 168 million.

Please be informed accordingly.

Sincerely yours,  
Tata Steel (Thailand) Public Company Limited

- signature -

(Mr. Santi Charnkolrawee)  
President