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TSTH 143/2009 SC/ AG/ CI/ WS

November 10, 2009

To: President
The Stock Exchange of Thailand

Subject: Clarification of the Company's Operating Results for the second quarter of 2009-2010
(July - September 2009)

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

1. Operating Results

1.1 Net Sales

In Q2/2009-2010, the Company recorded net sales of Baht 5,721 million, occurred from the sales volume of 298,000 tons (Q1/2009-2010: Baht 4,531 million from sales volume of 265,000 tons), representing an increase of 26% and 12%, respectively. It is on account of increasing demand continuous from previous quarter. The selling price of this quarter was Baht 19,200 per ton or increased by Baht 2,000 per ton. This was due to the increase of billet price in market from the last quarter.

When compared to net sales of Baht 9,457 million from sales volume of 278,000 tons in Q2/2008-2009, it is a decrease of 40%. Conversely, an increase of 7%, respectively. The average selling price decreased by Baht 14,800 per ton. While the sales volume was increased by 20,000 tons. The higher sale volume is on account of the higher demand from the customer since, raw material price was increased.

1.2 Net Profit (Loss)

Net profit of Q2/2009-2010 was Baht 238 million (Q1/2009-2010: Net loss of Baht 168 million), representing an increase of Baht 406 million against the previous quarter. The main reason was due to the increased selling price of Baht 2,000 per ton.

When compared to net profit of Baht 207 million in Q2/2008-2009, the increase in profit represented of Baht 31 million. The main reason was due to increasing of sales volume by 20,000 tons. The higher sale volume is on account of the higher demand from the customer since, raw material price was increased.

2. Financial Status

2.1 Assets

As on September 30, 2009, the total assets were decrease by Baht 494 million lower than the previous quarter. This occurred as Cash in Bank was decrease by baht 1,548 from iron ore and imported scrap payment. Inventory increased by Baht 818 million; mainly due to the increase in raw materials, finished goods by Baht 475 million and Baht 166 million, respectively. The accumulated capital expenditure of Mini blast project as on September 30, 2009 is in the amount of Baht 3,299 million.

2.2 Liabilities and Shareholders' Equity

As on September 30, 2009, the total liabilities decreased by Baht 737 million or decreased 8% over previous quarter. The main reason was a decrease of Trade Account Payable by Baht 612 million from iron ore and imported scrap payment, Other Current Liabilities decrease by Baht 119 million from decreasing of customer's advance payment, Long-term loan decrease by baht 150 from repayment. Conversely, the accrued expenses increase by baht 117 million from accrued of power.

The shareholders' equity as on September 30, 2009 were increased by Baht 239 million over than previous quarter due to the net profit in this quarter by Baht 238 million.

Please be informed accordingly.

Sincerely yours,
Tata Steel (Thailand) Public Company Limited

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(Mr. Santi Charnkolrawee)
President