

- Translation -

TSTH 015/2010 SC/ AG/ CI/ WS

February 02, 2010

To: President

The Stock Exchange of Thailand

Subject: Clarification of the Company's Operating Results for the third quarter of 2009-2010
(October - December 2009)

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

1. Operating Results

1.1 Net Sales

In Q3/2009-2010, the Company recorded net sales of Baht 5,661 million, occurred from the sales volume of 294,000 tons (Q2/2009-2010: Baht 5,721 million from sales volume of 298,000 tons), representing a decrease of 1% and 1%, respectively. It is on account of decreasing demand in both public and private project investment. The selling price of this quarter was Baht 19,300 per ton which increased Baht 100 per ton from the last quarter. This was due to the slightly increase of billet price in market from the last quarter.

When compared to net sales of Baht 4,632 million from sales volume of 253,000 tons in Q3/2008-2009, it is an increase of 22 and 16% in net sales and sales volume, respectively. The higher sale volume is on account of increasing demand. Moreover, the mainly result of falling demand in global steel market which effected from the global economy crisis in the same quarter of 2008.

1.2 Net Profit (Loss)

Net loss of Q3/2009-2010 was Baht 3 million (Q3/2009-2010: Net profit of Baht 238 million), representing a decrease of Baht 241 million against the previous quarter. The main reason was due to an increase in cost of goods sold by Baht 1,000 per ton or Baht 294 million from increasing of raw material price.

When compared to net loss of Baht 2,266 million in Q3/2008-2009, It decreased by Baht 2,263 million. The main reason was due to an increasing of selling price by Baht 1,000 per ton. Conversely, cost of goods sold decrease by Baht 6,000 per ton, leading to higher gross margin by Baht 7,000 per ton. The company wrote down inventory by Baht 1,063 million from "marked- to- market" valuation in the same quarter of 2008.

2. Financial Status

2.1 Assets

As on December 31, 2009, the total assets were increase by Baht 383 million over than the previous quarter. The occurred as inventory increased by Baht 995 million; mainly due to the increase in goods in process, raw materials by baht 741 million and Baht 420 million, respectively. Conversely, Cash and Cash in Bank was decrease by Baht 738 million from import raw material payment

2.2 Liabilities and Shareholders' Equity

As on December 31, 2009, the total liabilities increased by Baht 387 million or increased 5% over previous quarter. The main reason was the increase of Trade Account Payable increased by Baht 282 million from imported scrap and billet, Long-term loan increase by Baht 166 million from drawdown by Baht 315 million and repayment by Baht 150 million.

The shareholders' equity as on December 31, 2009 were decreased by Baht 4 million lower than previous quarter due to the loss in this quarter by Baht 3 million

Please be informed accordingly.

Sincerely yours,

Tata Steel (Thailand) Public Company Limited

- signature -

(Mr. Santi Charnkolrawee)

President