

- TRANSLATION -

TSTH 046/2015 RM/PS/PB

July 31, 2015

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the first quarter of FY 2015-2016
(April-June 2015)

Tata Steel (Thailand) Public company Limited ("Company") would like to report the company's operating results for the first quarter of 2015-2016 (April-June 2015) as under:

1. Operating Results

Stability in raw material and finished products prices that started in Feb'15 continued in initial parts of Qtr1 FY'16. This helped in improving consumer confidence. However during later part of the quarter, the sluggishness in demand due to delay in announcement of new projects coupled with declining international prices affected market sentiments. Dealers and Customers took a cautious approach and placed orders based on firm bookings in hand and not for keeping in inventory.

Around the world, European Union was struggling for a bailout package for Greece debt crisis. Chinese economy continues to grow at a slower pace than past. As a result steel exports from China were more than last year and this had ripple effect on steel prices around the world. TSTH was directly impacted by continued imports of wire rods in large quantity.

Bank of Thailand announced rate cut by 0.25% to provide necessary boost to the economy. This had an effect of Thai Baht depreciating as compared to US dollar. The delay in monsoon has created drought like situations in many provinces there by adding to the existing depressed market sentiments.

In backdrop of this adverse situation, company stayed focused on a) cost saving both fixed & variable cost through specific initiatives & b) Enhancing new & improved product & service offerings to customer. The company also honored all its commitment to its lenders there by reducing long term debts. As a result the company achieved for Qtr1 FY'16 a sales volume of 271 KT with EBITDA of 216 MB and a PBT of 30 MB.

1.1 Operating Results compared with previous Qtr. & previous year

1.1.1 Net Sales

During Qtr1 FY'16, the Company recorded net sales of 4,415 MB from a sales volume of 271('000 ton). In terms of revenue, this was lower by 11% and 26% as compared to Qtr4 FY'15 and Qtr1 FY'15 respectively due to sluggishness in demand on account of delay in announcement of projects both in public & private sector and weak customer sentiments resulting in customer placing orders based on orders in hand. Wire rods continued to be affected due to imports from China.

1.1.2 Net Profit before Income Tax & EBITDA

The company has reported a Profit before tax at 30 MB which is higher than Qtr4 FY'15 at (152) MB on account of lower in conversion cost primarily due to inventory impact, optimizing on input cost and better management of spread.

Accordingly the company has recorded an EBITDA Qtr1 FY'16 at 216 MB which is higher than Qtr4 FY'15 at the level of 15 MB.

1.2 Operating Results compared to Plan

1.2.1 Net Sales

During Qtr1 FY'16, company has recorded lower net sale by 8% due to no new project from public and private sectors and customer sentiments remaining weak. Wire rod is adversely affected from imports.

1.2.2 Net Profit before Income Tax & EBITDA

Consequently, the Company continued to remain EBITDA, PBT & PAT positive on Qtr1 FY'16 higher than plan primarily due to lower inventory impact, optimizing on input cost & effective management spread. We continue to focus on cost both Variable & Fixed cost.

2. Statement of Financial Position

2.1 Assets

As on Jun 30, 2015, **Total assets** have increased by 73 MB over Qtr4 FY'15 due to:

- Reduction in Cash and cash equivalents by (284) MB post payment of long term loan installment.
- Reduction in Trade Account Receivable by (33) MB.
- Inventory increased by 416 MB. on account of increasing in metallic inventory.
- Reduction in Properties, Plant, Equipment by (66) MB. on account of depreciation

2.2 Liabilities and Shareholders' Equity

As on Jun 30, 2015, **the liabilities** have increased by 60 MB over Qtr4 FY'15 due to:

- Reduction in Long-term borrowing by (335) MB post payment of the loan installment.
- Trade and other payables increased by 61 MB
- Short term loan increased by 337 MB by utilizing the structured finance from local bank for specific end use purpose.

Please be informed accordingly.

Sincerely yours,

Tata Steel (Thailand) Public Company Limited

- signature -

(Mr. Rajiv Mangal)
President and CEO