

- TRANSLATION -

TSTH 047/2018 RM/PS/PB

July 25, 2018

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the first quarter of FY2019 (April-June 2018)

Tata Steel (Thailand) Public Company Limited ("Company") would like to report the Company's operating results for the first quarter of FY2019 (April-June 2018) as under:

1. Operating Results

The deliveries for the quarter at 281 K Tons, was lower than the previous quarter by 35 K Tons or 11%. Rebar demand in the country has not improved. Higher exports helped cover part shortfall in domestic sale.

Net sale was lower than previous quarter, reflecting weak market sentiment. However, it was higher than last year resulting from raw material cost increase.

EBITDA in Q1FY19 at 216 MB was lower by 20% over the previous quarter and higher by 56% year on year.

Operating Results compared with previous quarter & previous year

1.1 Net Sales

Sales volume in the current quarter stood at 281K Tons as compared to 316K Tons in the previous quarter. However, sales volume in the current quarter was higher than the same quarter last year by 2%. The Rebar demand in the country has not improved and the demand of finished wires have been sluggish reflecting weak market sentiments. The lower domestic volume was partly offset by the higher exports to India, Cambodia and Laos.

Net sales during Q1FY19 at 5,443 MB was lower by 11% compared to the previous quarter but 18% higher as compared to the same quarter last year. Higher selling price as compared to the same quarter last year mainly reflects the increase in raw material prices.

1.2 Profit Before Tax

During the quarter, PBT at 75 MB in Q1FY19 against a profit of 98 MB in the previous quarter primarily due to lower sales volume from the sluggish demand in the country. However, this was partially compensated by lower administration expense, unrealized foreign exchange gain arising from Baht depreciation.

A profit in the current quarter against a loss of 34 MB in Q1FY18 is attributable to the improvement in selling price and higher sales volume.

2. Statement of Financial Position

2.1 Assets

As on June 30, 2018, **the total assets** have decreased by (379) MB over Q4 FY18 mainly due to:

- Reduction in inventory by (397) MB on account of lower finished goods and metallic.
- Reduction in Trade and other receivables by (152) MB.
- Increase in Cash and cash equivalents by 140 MB.

2.2 Liabilities and Shareholders' Equity

As on June 30, 2018, **the total liabilities & shareholder equity** have decreased by (379) MB over Q4 FY18 mainly due to:

- Reduction in Short term working capital borrowings by (431) MB.
- Reduction in Trade and other payables by (87) MB
- Increase in finance lease liabilities by 42 MB relating to Solar Power project at SCSC.
- Increase in shareholders' equity by 54 MB from current quarter's net profit.

Please be informed accordingly.

Sincerely yours,
Tata Steel (Thailand) Public Company Limited

- signature -

(Mr. Rajiv Mangal)
President and CEO