

- TRANSLATION -

TSTH 027/2018 RM/PS/PB

April 24, 2018

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the fourth quarter of FY 2018 (January-March 2018)

Tata Steel (Thailand) Public company Limited ("Company") would like to report the company's operating results for the fourth quarter of FY2018 (January-March 2018) as under:

1. Operating Results

Sales volume in the current quarter stood at 316K Tons as compared to 302K Tons in the previous quarter. The Rebar demand in the region, especially from the Project customers, continues to remain sluggish despite the period being peak construction season. This was partly made up by healthy sales of Wire Rods and higher exports. Net sales during Q4FY18 at 6,110 MB was higher by 6% compared to the previous quarter and 5% higher as compared to the same quarter last year. The prices have been better reflecting increasing trend of the raw material prices. However, the impact of higher price was not sufficient to offset the increase in the prices of metallic and the consumables like graphite electrode and ferro alloys.

EBITDA in Q4FY18 at 270 MB was lower by 43% over the previous quarter and 34% year on year.

Operating Results compared with previous quarter & previous year

1.1 Net Sales

Sales volume in the current quarter at 316K Tons was higher than the previous quarter by 6% primary due to the increase in rebars export parcels to India and Myanmar. However, as compared to the same quarter previous year sales volume was lower by 8% due to Thailand has experienced a significant demand contraction in steel and the slowdown in the construction sector due to lower government expenditure on infrastructure projects and a general negative market sentiment in the private constructions.

Net sales during the current quarter at 6,110 MB was higher by 6% and 5% as compared to the previous quarter and the same quarter previous year respectively, mainly on account of higher prices of finished goods reflecting increasing trend of raw material price.

For FY2018 sales volume at 1,217K Tons was lower by 4% as compared to the previous year. While, in terms of net sales at 22,246 MB was higher by 13%.

1.2 Profit Before Tax

The company reported the profit of the current quarter at 98 MB against loss in the same quarter last year. However, as compared to the previous quarter the profit was lower by 66% as the increase in sales price was not enough to cover the cost increase in raw materials price, resulting in lower net contribution.

Profit before tax at 585 MB for FY2018 was higher by 33% as compared to the previous year.

It may be noted that the Company had recognised an impairment loss of 619 MB against the MBF assets in FY2017. Current year Profit Before Tax is after the one-off adjustment of 61 MB relating to further provision for loss on impairment of MBF asset reflecting THB-USD conversion rate movement since 31st March 2017.

2. Statement of Financial Position

2.1 Assets

As on March 31, 2018, **the total assets** have decreased by (264) MB over Q4 FY17 mainly due to:

- Reduction in Properties, Plant, Equipment by (364) MB on account of normal depreciation.
- Reduction in Other non-current assets (89) MB mainly due to offsetting of the amount receivable from TSGH 71 MB against 271 MB long-term borrowing payable to TSGH.
- Reduction in Non-current assets classified as held for sales by (61) MB reflecting the THB-USD rate movement.
- Reduction in Temporary investments in short-term Bank Fixed Deposits by (21) MB.
- Reduction in Cash and cash equivalents by (411) MB.
- Increase in Trade and other receivables by 295 MB mainly on account of export parcels to India.
- Inventory increased by 366 MB reflecting higher cost of finished goods and consumable.

2.2 Liabilities and Shareholders' Equity

As on March 31, 2018, the total liabilities & shareholder equity have also decreased by (264) MB over Q4 FY17 mainly due to:

- Reduction in Short term borrowing from financial institutions by (421) MB.
- Reduction in Current portion of long-term liabilities by (271) MB on account of full settlement of the borrowing.
- Reduction in income tax payable by (40) MB.
- Increase in shareholders' equity by 462 MB from current year's net profit.

Please be informed accordingly.

Sincerely yours,
Tata Steel (Thailand) Public Company Limited

- signature -

(Mr. Rajiv Mangal)
President and CEO

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