

Tata Steel (Thailand) welcomes Analysts and Bank Officials 21st August 2015

[Results Presentation : Financial quarter ending 30th June 2015]



Round Bars



Deformed Bars



Wire Rods



Angles & Channels



Cut & Bend

Disclaimer



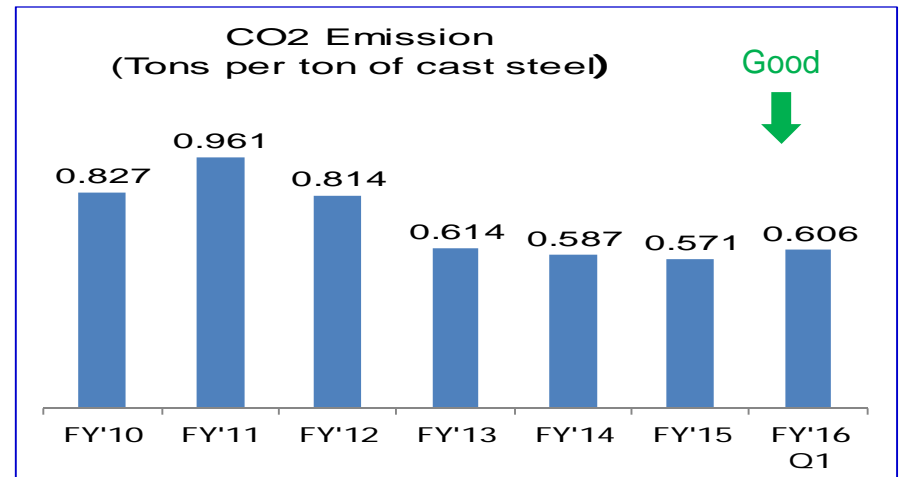
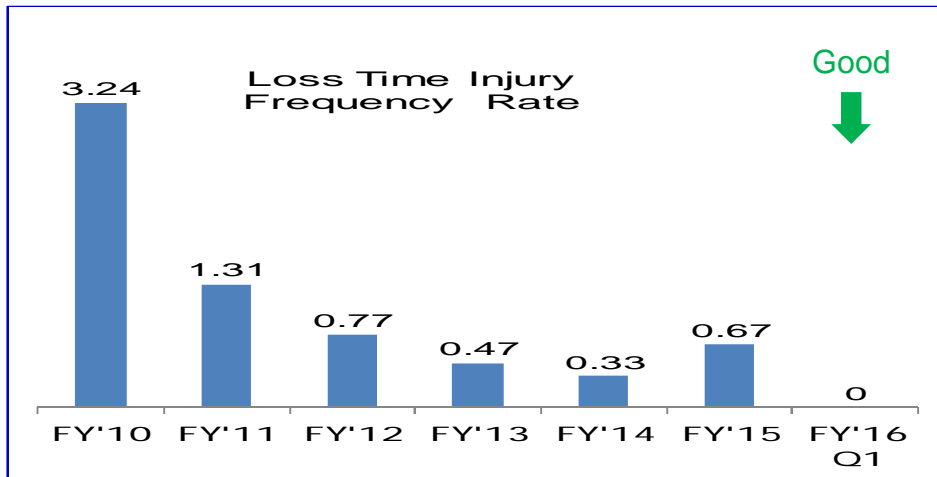
Statements in this presentation describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.

Content



- **Corporate Citizenship**
- **Economic Scenario & Steel Business**
- **Q1FY16 Performance**
- **Business Outlook**

Safety & Environment



Key Initiatives taken up:

- Consequence Management for contractors launched.
- Six step contractor safety management process revamped.
- Bimonthly safety campaigns taken. Focus on Energy Isolation and Working at Height in Q1.
- Energy conservation through Project SAVE.

Community Welfare & CSR



TSTHG:

On 8th May – Donation of 61,500 Baht monetary to Thai Red Cross for Nepal earthquake disaster relief .



TSTH: On 18th June - TSTH employees who were born in April to June participated in first ever “Happy Society ... Happy Birthday” activity at Ban Bang Khae.

The employees did several activities with Ban Bang Kae’s elderly such as karaoke, games and giving lunch.



NTS: On 5th June - Volunteers from NTS and TSTH jointly afforest Community Forest, Borwin, Sriracha Province on World environmental day. Additionally The employees participated in several activities with Ban Khao Hin school’s student.

TATA STEEL (THAILAND)



SISCO: On 30th June - SISCO’s employees visited Muang Noi school for “Bring the light back to the community campaign” which is a new initiative. The purpose of the campaign is to pass on basic knowledge on electrical equipment to the student for repairing broken electrical equipment.



SCSC: On 29th May – SCSC employees participated in CSR activity for birthday by offering lunch to students at Rayong Punyanukul school.

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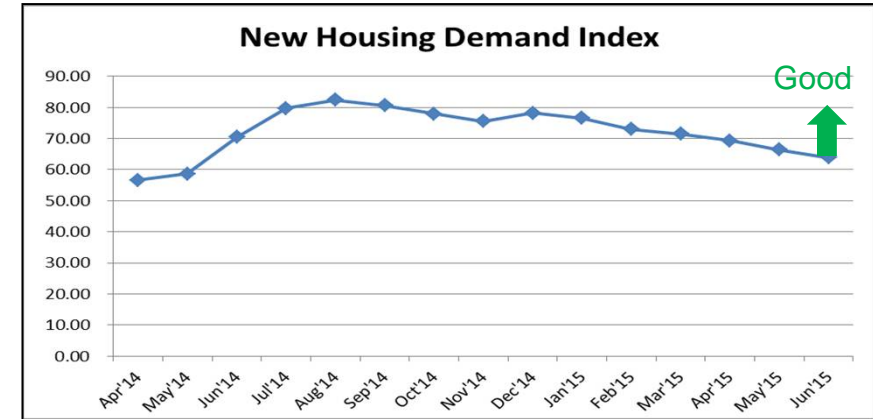
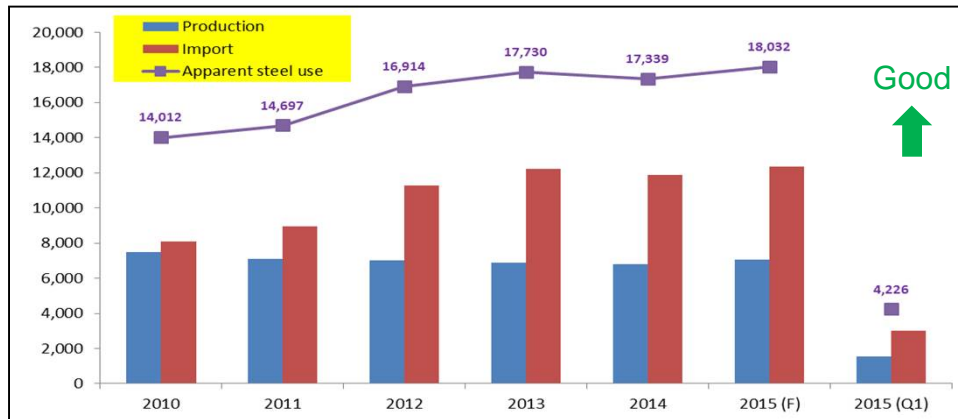
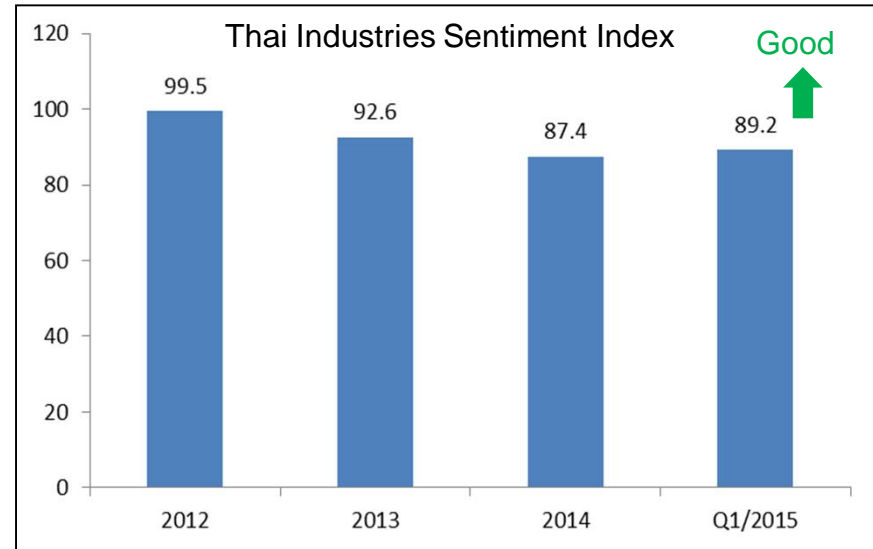
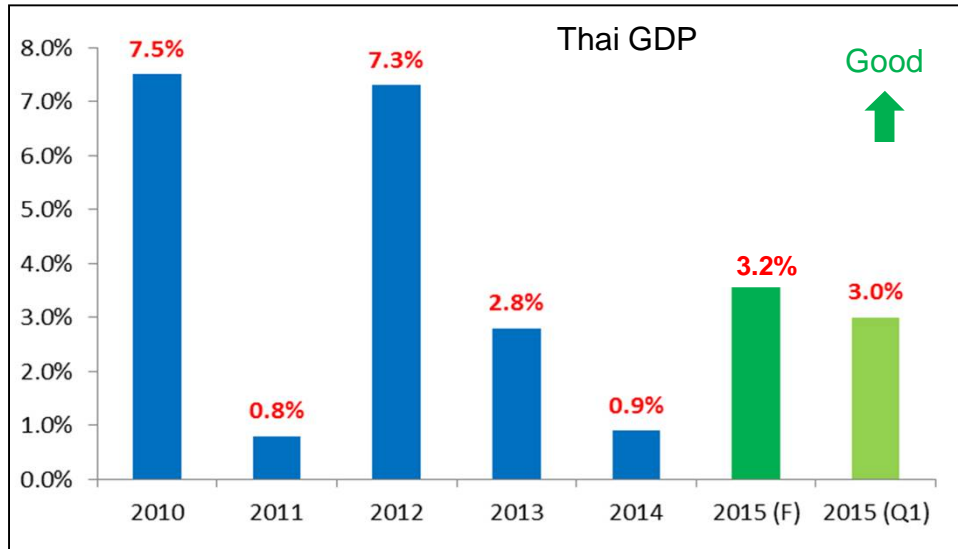
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Business Environment



- Stagnant economy. Q1 GDP growth on Tourism and Government spending.
- Weak purchasing power pulling down sentiment.
- Overall Steel consumption in Thailand declined.

Key market happenings



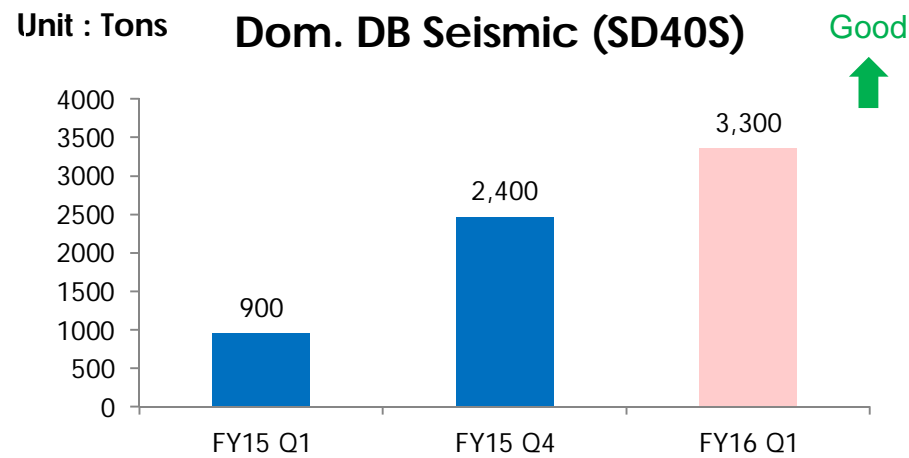
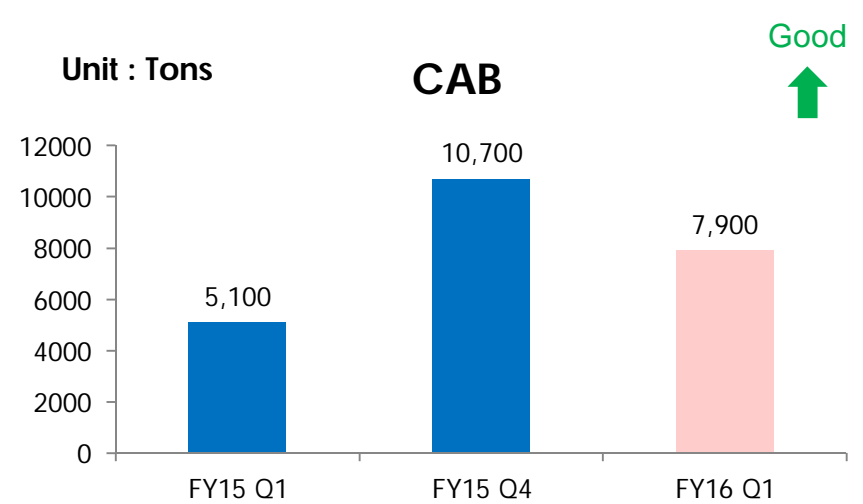
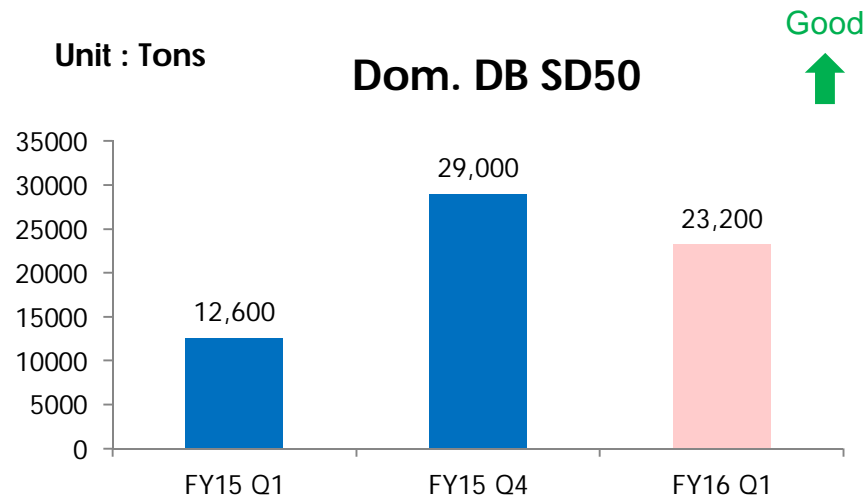
- Domestic Rebar market stable in April and May. Have started declining since June.
- Decreasing price of billets from China has created serious uncertainty in the market. Dealers and consumers only buying Rebars for immediate consumption.
- Public spending behind schedule (45 % till June).
- Farm economy contracted 4.2% y-o-y in first half.
- Domestic Car sales dropped by 16.3% in H1 to 369 K. Full year projection revised to 850 K (from 950 K. earlier). Exports rose 2.8% to 576 K. Full year projection 1.2 million vehicles. Vehicle output dropped by 1.8% to 935 K in H1. Full year projection 2.05 million vehicles.
- VAT @ 7% to continue for one more year (till Sep'16) in avoid affecting already weak purchasing power.
- Government approved proposal to build three motorways worth 160 billion baht. This will be financed by government.
- Wire rods imports from China gone up by 20% y-o-y (593 KT in Jan-May'15 compared to 492 KT in same period last year). Prices continue to decline each fortnight.
- Domestic and imported scrap price declined but not in line with Chinese billet. Net result that more steel mills in SEA buying billets rather than running EAF all the time.

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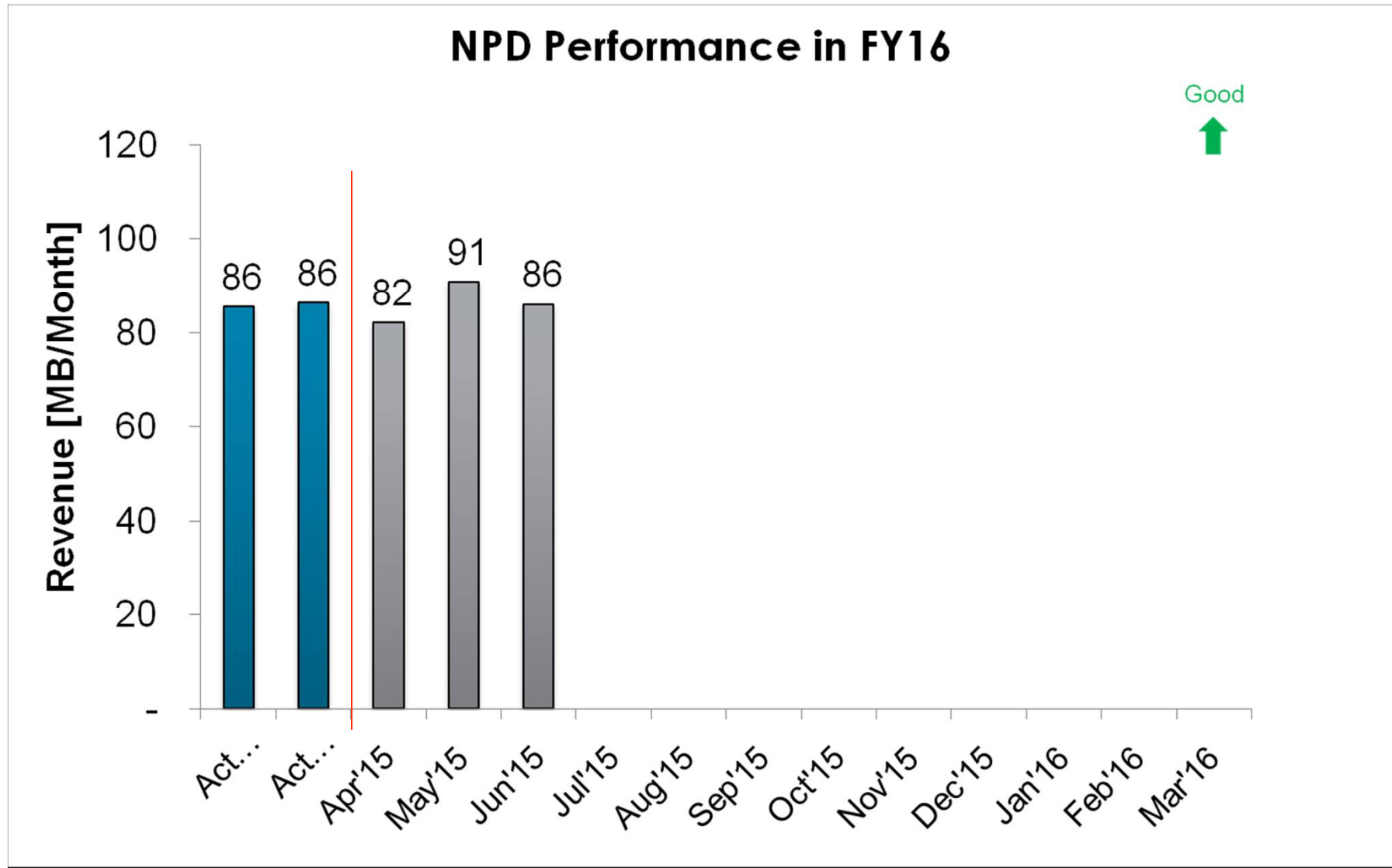


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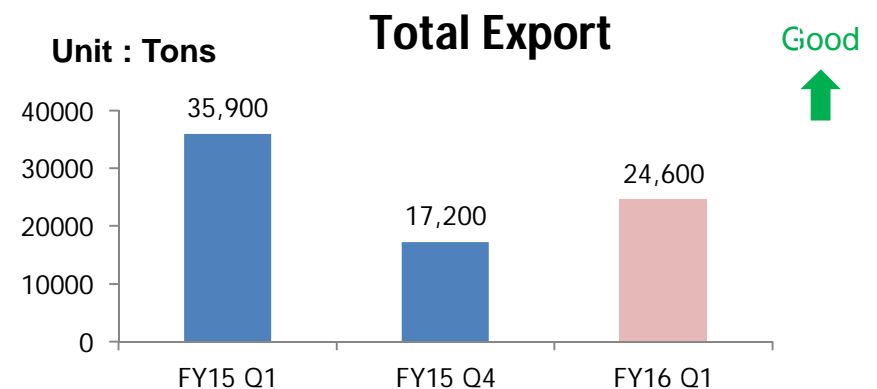
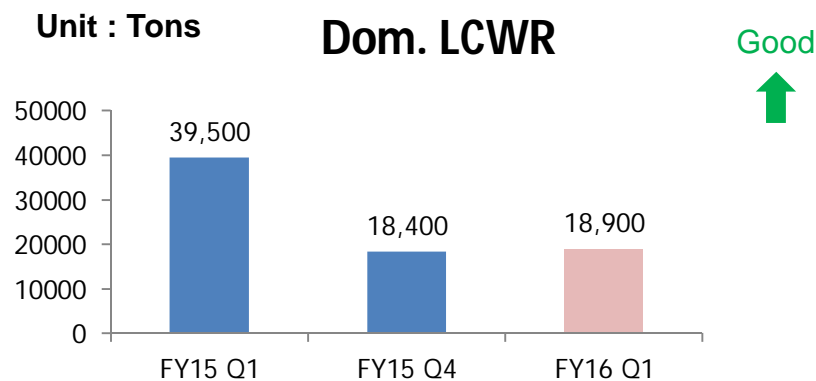
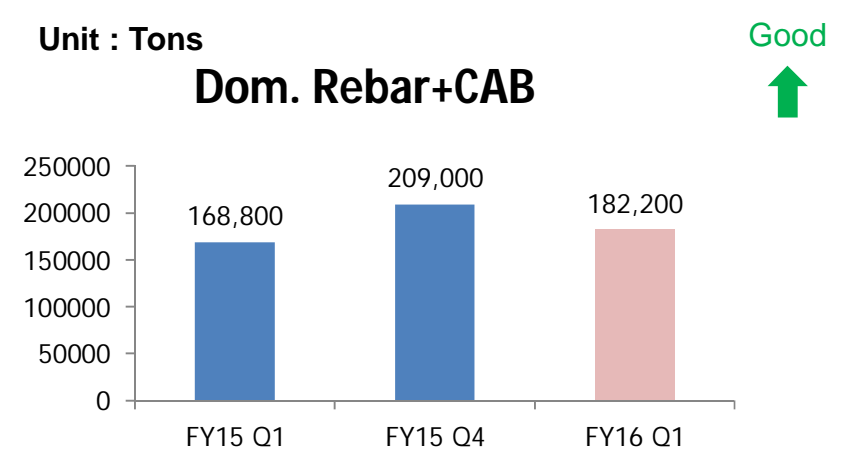
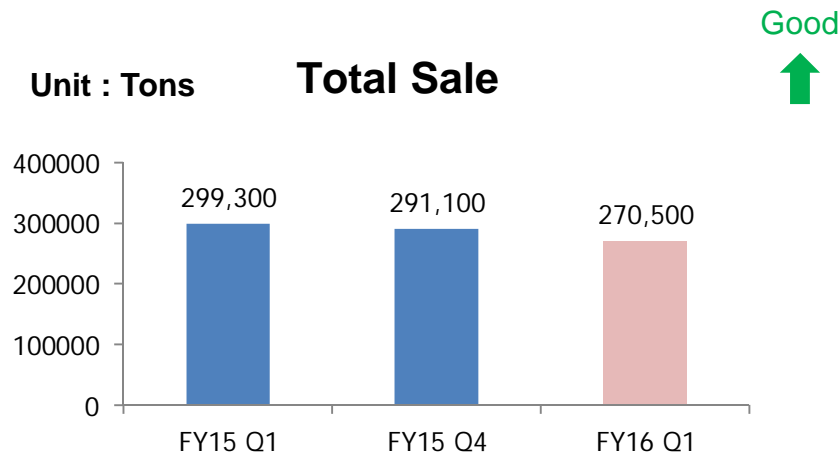
Steady increase in value added rebar sales



Revenue from new products



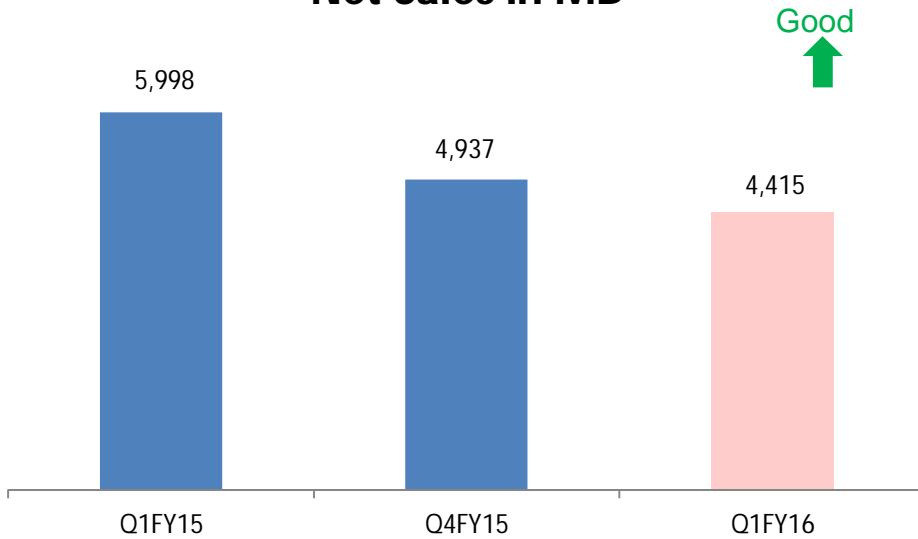
FY16 Quarter1 Sale



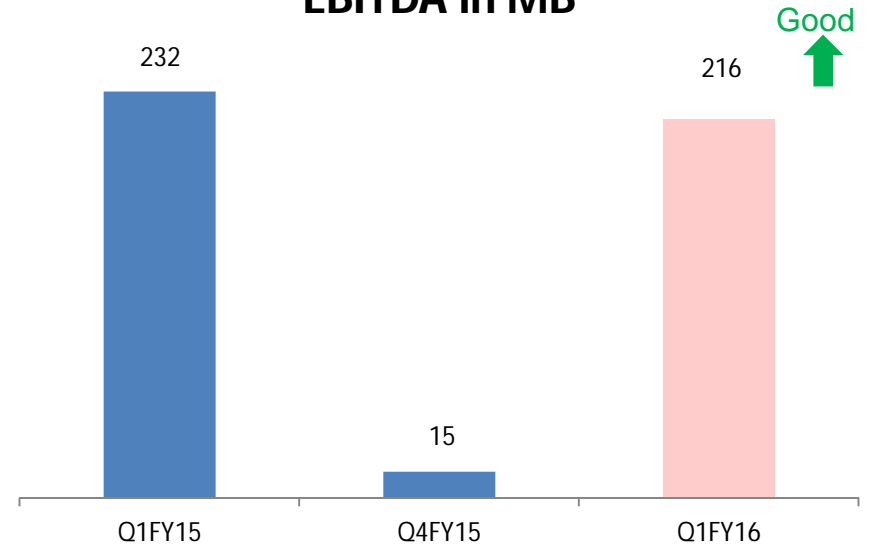
Financial Performance



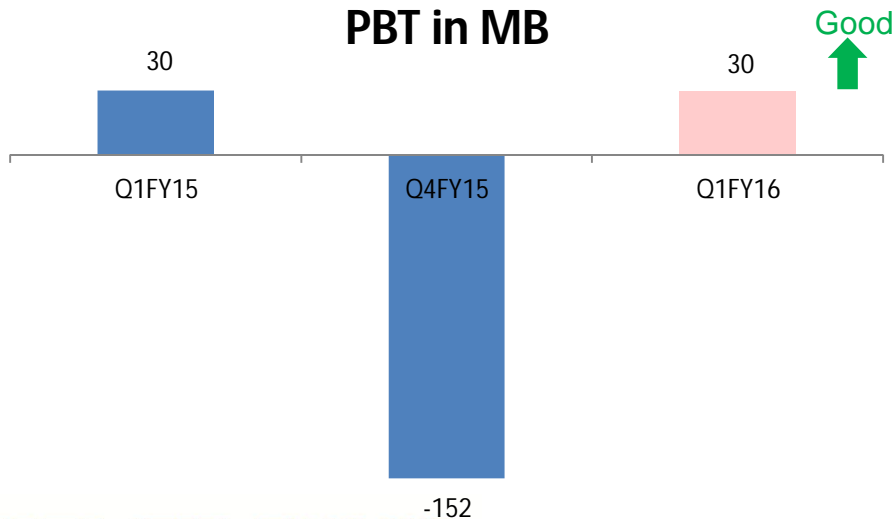
Net Sales in MB



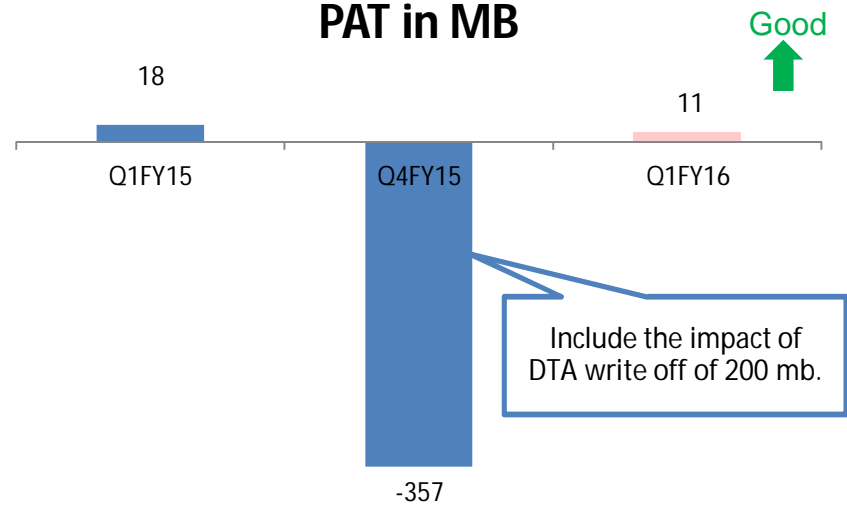
EBITDA in MB



PBT in MB



PAT in MB



Q1 highlights



- **Zero Lost Time Injury. NTS and SCSC completed 3 and 2 years LTI free respectively.**
- **NTS and SCSC shortlisted for final audit for Prime Minister Industry award in Environment and Safety respectively.**
- **Successful sourcing of alternate metallic.**
- **Fixed and Variable costs below previous year.**

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Q2 FY 16 : Business Outlook



- BOT expect GDP to grow by 3% in 2015 but the drought impact has not yet been factored in.
- Baht depreciating higher than expected.
- Chinese getting more aggressive on exports. RMB depreciation is an area of concern for steel makers in the region and around the world. Will have detrimental impact on steel prices in the country and region.
- BOI in principle approved surcharge for Low Carbon Wire Rods. Customers putting lot of pressure for review.
- Filed for sunset review of HCWR anti dumping rate.
- Supplies to Xayaburi Project in Lao to start from August.
- Zero imported scrap in Q2.

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Thank you for kind attention