

- TRANSLATION -

TSTH 006/2018 RM/PS/PB

January 30, 2018

To: President
The Stock Exchange of Thailand

Subject: Report of the Company's Operating Results for the third quarter of FY 2018 (October-December 2017)

Tata Steel (Thailand) Public company Limited ("Company") would like to report the company's operating results for the third quarter of FY2018 (October-December 2017) as under:

1. Operating Results

Sales volume in the current quarter stood at 302K Tons. The flood situation in central and northeast parts of Thailand coupled with many holidays in October and December affected the deliveries. Construction sector growth remains sluggish and impacted demand of re-inforcing bars. This was partly made up by healthy sales of Wire Rods. Net sales during Q3 FY18 at 5,743 MB was at the similar level of the previous quarter and 24% higher as compared to the same quarter last year.

EBITDA in Q3FY18 at 478 MB was higher by 11% over the previous quarter and 14% year on year through better management of spread and improved product mix.

Operating Results compared with previous quarter & previous year

1.1 Net Sales

Sales volume in Q3FY18 at 302 KTon was lower than Q2FY18 and almost at par with Q3FY17. However, in terms of net sales at 5,743 Mn THB was at the same level of the previous quarter and 24% higher as compared to the same quarter last year, reflecting the market's acceptance of the increasing trend of the raw material prices.

9MFY18 sales volume at 901 KTon from net sales of 16,137 Mn THB was higher than 9MFY17 by 16%.

1.2 Profit Before Tax

The company has reported a profit before tax of 287 Mn THB in Q3FY18. This was better by 23% and 12% as compared to Q2FY18 and Q3FY17 respectively, due to the better position of spread even though, there had been continuous increase in electrodes and alloys price leading to higher conversion cost.

Profit before tax for 9MFY18 at 487 Mn THB was lower than previous year primarily reflecting the subdued performance during Q1FY18.

2. Statement of Financial Position

2.1 Assets

As on December 31, 2017, **the total assets** have decreased by (439) Mn THB over Q4 FY17 reflecting:

- Reduction in Properties, Plant, Equipment by (281) Mn THB on account of normal depreciation.
- Inventory increased by 427 Mn THB on account of planned higher finished goods and metallic inventory to enable the Company to serve its customers better.
- Reduction in Cash and cash equivalents by (397) Mn THB.

2.2 Liabilities and Shareholders' Equity

As on December 31, 2017, the total liabilities & shareholder equity have also decreased by (439) Mn THB over Q4 FY17 mainly due to:

- Reduction in Short term borrowing from financial institutions by (587) Mn THB
- Reduction in Trade and other payables by (106) Mn THB.
- Reduction in income tax payable by (62) Mn THB.
- Increase in shareholders' equity by 388 Mn THB from current net profit of 9MFY18.

Please be informed accordingly.

Sincerely yours,
Tata Steel (Thailand) Public Company Limited

- signature -

(Mr. Rajiv Mangal)
President and CEO