

# Tata Steel

## Q2 Profit Rises 37%



**T**ata Steel consolidated net profit rose 36.82% to Rs 1254.33 crore on 2.03% fall in total income to Rs 36098.63 crore in Q2 September 2014 over Q2 September 2013. Tata Steel's bottom line was boosted by profit of Rs 1146.86 crore on sale of land at Borivali in Mumbai. Tata Steel Group steel deliveries rose 0.3% to 6.50 million tonne in Q2 September 2014 from 6.48 million tonne Q2 September 2013. Earnings before interest, taxation, depreciation and amortization (EBITDA) fell 0.89% to Rs 3750 crore in Q2 September 2014 over Q2 September 2013.

Tata Steel said that the Indian operations reported stable performance despite the weaker monsoon period. The European operations maintained the level of year-on-year improvement in financial performance established in the first quarter. Production and deliveries were higher than in the first quarter, despite extended summer shutdowns. The South East Asian operations were under pressure due to a surge in low priced imports and a decline in the rebar-scrap spread, the company said.

Among India operations, deliveries increased to 2.11 million tonne in Q2 September 2014 from 2.04 million tonnes in

Q2 September 2013. Turnover increased 9% to Rs 10785 crore in Q2 September 2014 over Q2 September 2013 driven by higher volumes and realisations and better product mix. EBITDA fell 0.18% to Rs 3196 crore in Q2 September 2014 as compared to Rs 3202 crore in Q2 September 2013. Net profit rose 58.81% to Rs 2476 crore in Q2 September 2014 over Q2 September 2013. Profits for Q2 September 2014 included exceptional gains of Rs 1147 crore from the sale of land at Borivali, Mumbai, Tata Steel said.

Among European operations, deliveries declined marginally to 3.36 million tonne in Q2 September 2014 from 3.46 million tonnes in Q2 September 2013. Turnover fell 4.47% to Rs 20202 crore in Q2 September 2014 over Q2 September 2013. EBITDA jumped 67.68% to Rs 929 crore in Q2 September 2014 over Q2 September 2013.

Among South East Asia operations, deliveries were stable at 0.95 million tonne in Q2 September 2014 over Q2 September 2013. Turnover fell 11.22% to Rs 3710 crore in Q2 September 2014 over Q2 September 2013. EBITDA loss in Q2 September 2014 was Rs 281 crore as compared to gains of Rs 129 crore in Q2 September 2013.

Tata Steel said that the company has been

operating its mining activities in Odisha and Jharkhand with all statutory clearances such as environmental clearances, forest clearances, consent to operate etc. The company had also submitted the applications for renewal of its mines well before the expiry of the leases as stipulated under the law, it added.

Mr. T V Narendran, Managing Director of Tata Steel India and South East Asia, said: "Our strategy of focusing on the auto segment, particularly the high end segment, and the retail market yielded rich dividends. We are hopeful that the stable political climate will trigger a steel-intensive economic revival and we are well positioned to take advantage of any improvement in the steel demand in the country."

Dr Karl-Ulrich Kler, MD & CEO of Tata Steel in Europe, said, "We are on track with our new product launch plans and with our programme to raise the proportion of differentiated products in our sales. We see headwinds constraining steel demand growth globally.

In Europe we are increasingly concerned about the impact of rising imports, particularly from China, on EU steelmakers."