

Tata Steel to Progress Rapidly

Tata Steel Group declared its Consolidated Financial Results for the first quarter (Q1FY'16) ended June 30, 2015. The Group recorded Profit after Tax of Rs 763 crores against Rs 337 crores for the corresponding period last year.

Indian Operations - Highlights

- Turnover in Q1FY'16 was Rs 9,094 crores compared to Rs 10,635 crores in Q4FY'15 and Rs 10,468 crores in Q1FY'15. The benefits of higher volumes were largely offset by the fall in realizations.

- Reported EBITDA for Q1FY'16 increased to Rs 2,411 crores from Rs 1,661 crores in Q4FY'15. However, it declined compared to Rs 3,266 crores in Q1FY'15. Other Income included sale of quoted investments of Rs. 697 crores. Underlying EBITDA for Q1FY'16 increased to Rs 1,714 crores from 1,661 crores in Q4FY'15.

- Profit after tax in Q1FY'16 were higher at Rs 1,249 crores compared to Rs 814 crores in Q4FY'15. However, declined compared to Rs 2,268 crores in Q1FY'15.

- Earnings per Share (EPS) in Q1FY'16 was 12.41 compared to 7.94 in Q4FY'15 and 22.90 in Q1FY'15.

European Operations - Highlights

- Tata Steel's European Q1FY'16 liquid steel production was 3.96 million tonnes, up 1.4% from Q4FY'15's 3.91 million tonnes and up 7% on Q1FY'15's 3.70 million tonnes.

- Q1FY'16 deliveries of 3.44 million



tonnes were down 9.6% on Q4FY'15's 3.81 million tonnes but up 7.5% on Q1FY'15's 3.20mt.

- Turnover in Q1FY'16 was Rs 17,855 crores compared to Rs 20,741 crores in Q1FY'15 and Rs 19,537 crores in Q4FY'15. The drop in turnover was driven by the continuous fall in raw materials prices, which dampened realizations.

- Q1FY'16 EBITDA fell by 42% to Rs 575 crores from Rs 995 crores in Q1FY'15 and Rs 1053 crores in Q4FY'15. The decrease was largely attributable to the adverse sterling euro currency movement impacting the UK operations.

- Q1FY'16 EBIT was a loss of (Rs 124) crores against Rs 136 crores in Q1FY'15 and Rs 280 crores in Q4FY'15.

South East Asia - Highlights

- Turnover in Q1FY'16 declined to Rs 2,262 crores against Rs 2,461 crores in

Q4FY'15 and Rs 4,045 crores in Q1FY'15.

- EBITDA during the period increased to Rs 34 crores compared to a loss of Rs 232 crores in Q4FY'15 and a profit of Rs 30 crores in Q1FY'15. The resilience in rebar realizations early in the quarter helped post better margins.

Corporate Developments

Kalinganagar Project update

The phased commissioning at the state-of-the-art Kalinganagar Phase-I Steel Plant is progressing satisfactorily. The Coke Oven heating process commenced in May and commercial production of coils is expected to commence in H2FY'16. The 3 mtpa plant will enhance the Company's capability to meet the increasing requirement for high-strength automotive grades, high-end API grades and will help the Company develop unique grades with tighter tolerances.

Mining Update

All the iron ore, chromites and manganese mines (except Malda) in Odisha are currently operational.

Supplementary Lease Deeds have been executed for Joda East, Khondbond, Joda West, Manmora, Bamebari and Tiringpahar extending the lease period to March 31, 2030 and for Gomardih, a non-captive mine, till March 31, 2020.

- The Government of Odisha has decided and communicated extension of Sukinda Lease on non-captive basis up to March 31, 2020. A supplementary lease deed is expected to be executed shortly.

- The lease execution process is ongoing for Katamati iron ore mine.

- A decision on the extension of the Malda Lease is awaited.

Noamundi Iron Ore Mines in Jharkhand has stopped dispatch of iron ore as the Government of Jharkhand has discontinued the issuance of challans for the same. The Company has taken all the measures to ensure that operation of Jamshedpur is not affected. However, there will be a financial impact till the matter is resolved.

CONSOLIDATED PERFORMANCE HIGHLIGHTS

All Figures in Rs Crores Unless Specified

	Q1FY'16	Q1FY'15	Q4FY'15
Steel Deliveries (million tonnes)	6.33	6.46	7.06
Turnover	30,300	36,427	33,666
EBIDTA Reported	3,496	4,325	1,580
EBIDTA Underlying*	2,799	4,325	1,777
Depreciation	1,346	1,550	1,513
Finance Costs	1,098	1,252	1,195
Exceptional Items	158	(262)	(4,811)
PBT	1,250	1,424	(5,837)
Profit after Taxes, Minority Interest and Share of Associates	763	337	(5,674)
Basic and Diluted Earnings per Share	7.42	3.02	(58.88)