

TATA STEEL



22 February 2011 / Dr. Karl-Ulrich Köhler

Strategies for a New Brand in the European Market



Introducing Tata Group



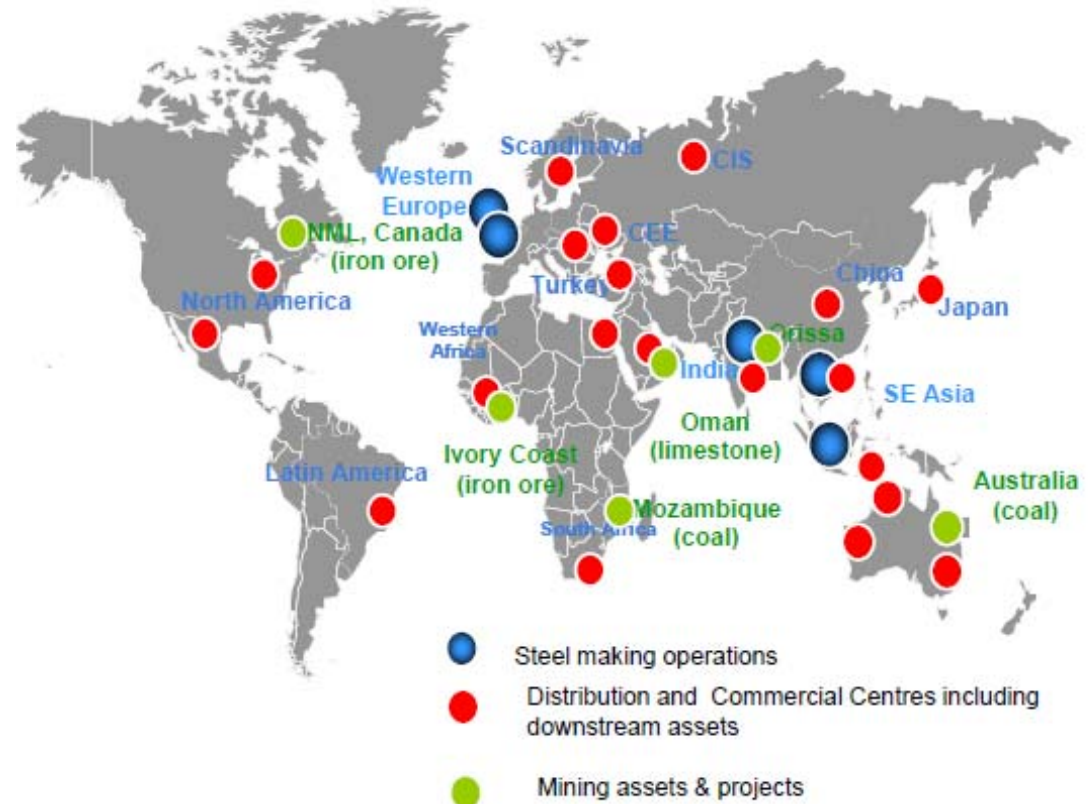
- Established in 1868 by Mr. Jamsetji Tata
- Tata Group comprises of 98 operating companies employing over 350.000 people in 7 major business sectors: Communications & Info Systems, Engineering, Materials, Services, Energy, Consumer Products and Chemicals
- Operations in more than 80 countries across 6 continents and exports products & services to over 85 countries
- Total revenue in 2009-10: \$68 billion, 57% from international markets
- Rated 11th on the list of the world's most reputable companies, 65th among the world's top 100 brands and 13th in *Business Week's* '25 Most Innovative Companies' list
- India's largest private sector employer



Tata Steel Group: Diversified Global Steel Player



- One of the flagship companies of the Tata Group and one of the world's top ten steel companies in terms of crude steel production volume
- One of the most geographically diversified steel producers with crude steel capacity of approximately 28 Mn tonnes*
- A balanced global presence in over 50 markets and manufacturing operations (incl. downstream) in 26 countries
- An employee strength over 81,000 across 5 continents
- Investments in Minerals Assets improving Raw Material Security
- Group turnover (FY10): US\$23bn
- Group EBITDA (FY10): US\$2.1bn



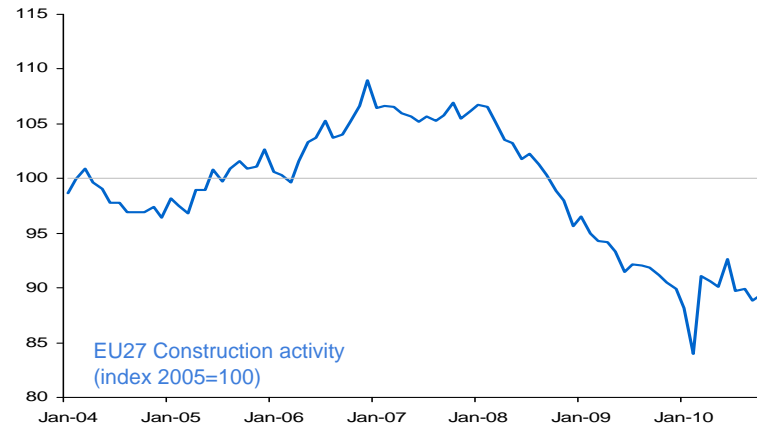
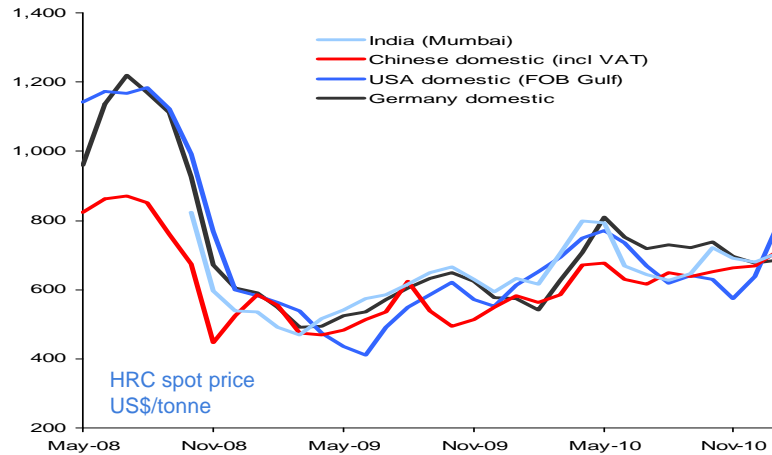
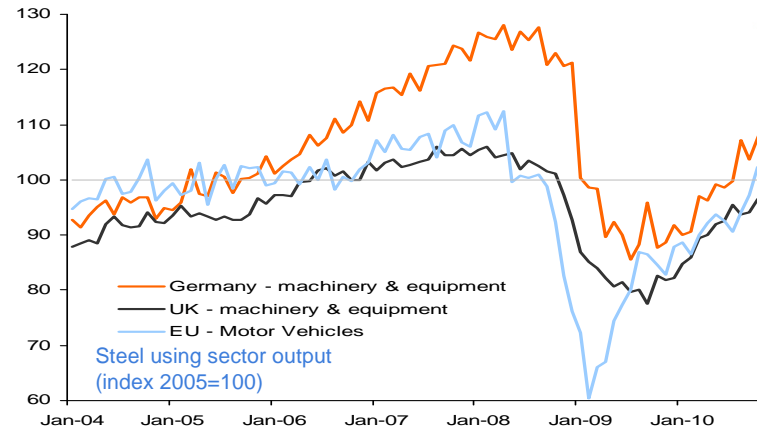
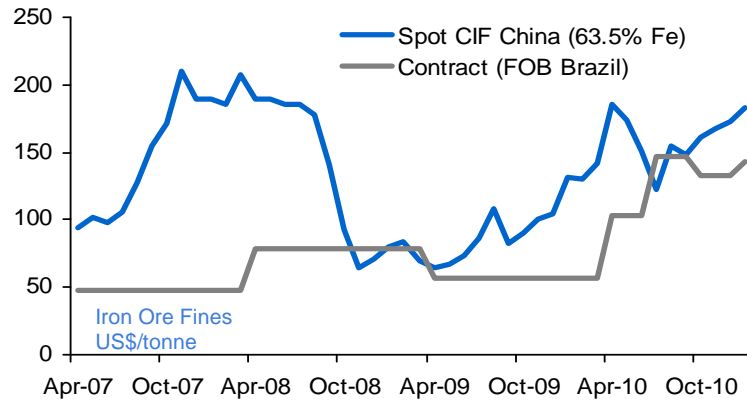
Tata Steel in Europe



- In 2007 Tata Steel Limited acquired Corus Group plc
- On 27 September 2010 Corus rebranded to Tata Steel
- Sectors: Automotive, Construction, Lifting & Excavating, Energy & Power, Packaging, Rail, and Industry
- Crude steel capacity of 18 mtpa,
- The 2nd largest steel producer in Europe
- 35,000 employees



Our context



- Significant raw material inflation continuing
- Working capital demands are huge to finance inventory
- Imports levels significant in EU despite fragile demand
- Challenge to pass through this burden fully to customers in a fragile market



- The market is still recovering but better than last year
- Environment for business performance has been extremely tough in calendar Q4 across Europe
- Most sectors will take 4-5 years to recover



Strategies for a new brand in the European Market Where do we stand?

Strategies for a new brand in the European Market

Where do we stand today?



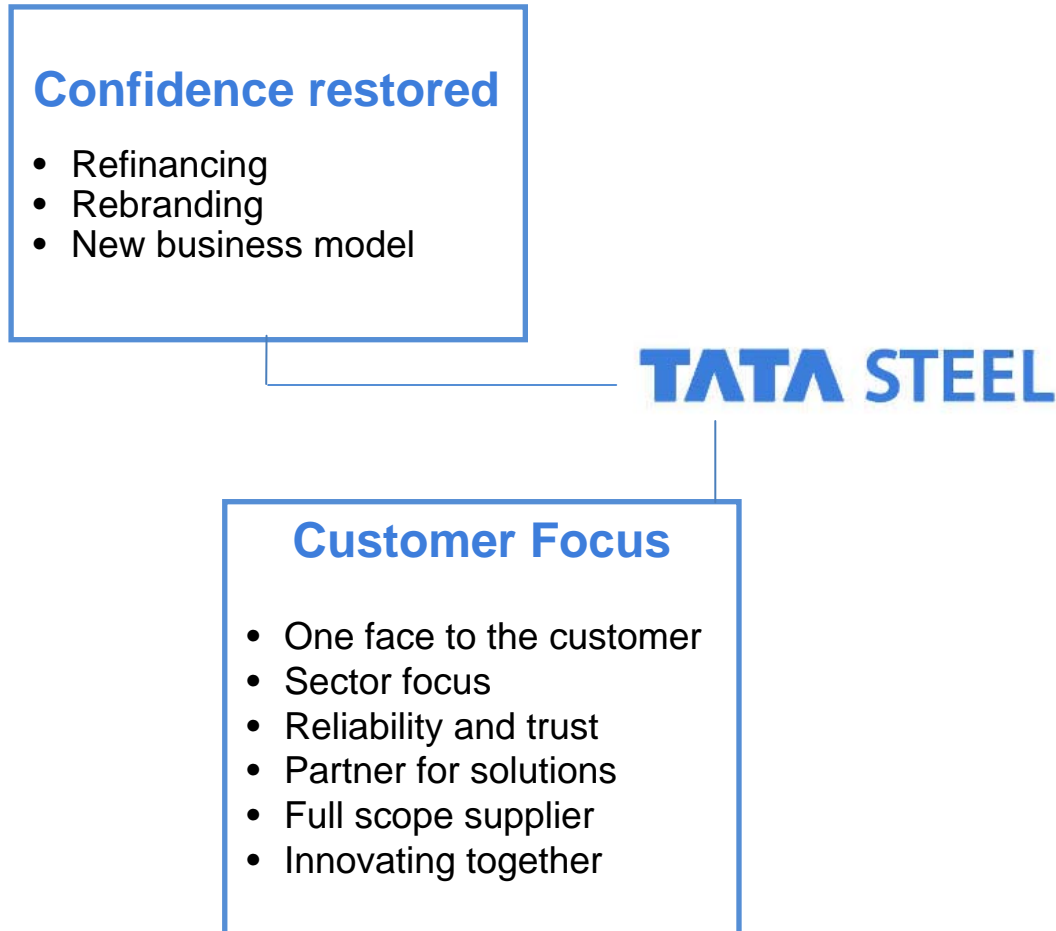
Confidence restored

- Refinancing
- Rebranding
- New business model

TATA STEEL

Strategies for a new brand in the European Market

Moving towards Customer focus



Enabling our customers to perform in their markets



Customer focus, Market sector teams, Serving our home market



Customer sectors

- Understanding customer needs & challenges
- Market sector differentiation
- Full scope supplier
- Extensive product range



Service

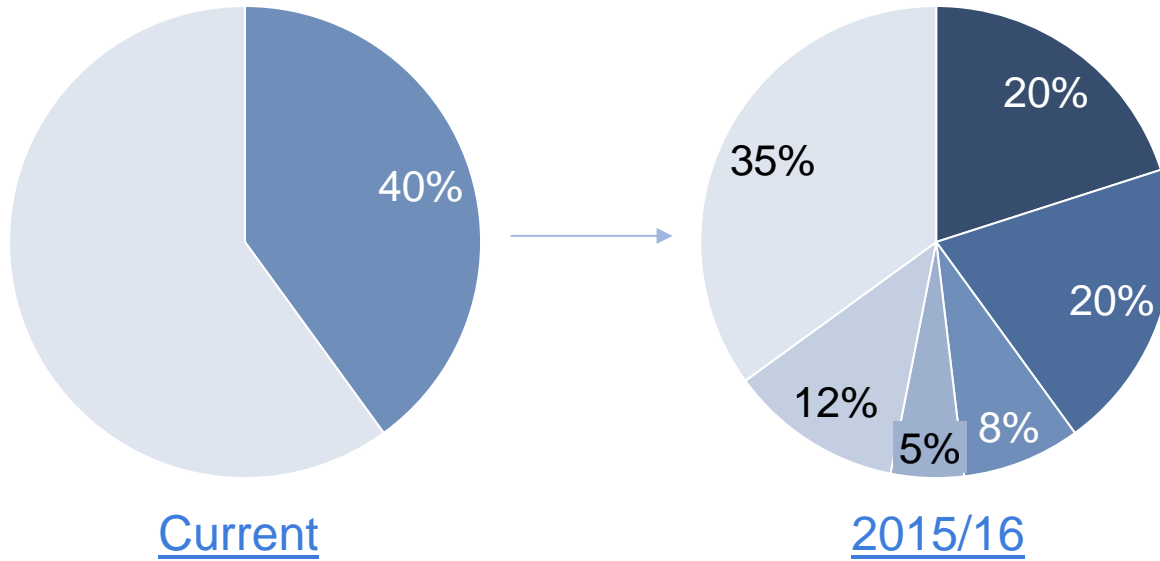
- Dedication & commitment
- Ease of doing business
- Innovating together
- Offering problem solving solutions
- Partnering for growth



Home market

- A European perspective on our home market
- Aligning our assets
- Optimising routes to market
- Extending our reach

Key sectors



- Construction
- Automotive
- Lifting & Excavating
- Energy & Power
- Other key sectors



Lifting and Excavating



The market

- small number of international players with global footprints
- Highly steel intensive sector
- Complex supply chain
- Significant growth forecast:
 - Fuelled by commodity extraction, construction demand and industrial growth in developing markets
 - Demand growth by 31% between 2009 and 2012 (developed markets)
 - Commodity price boom leading to surge in mining equipment demand in emerging economies



Customer challenges

- Increasing industry consolidation
- Rapid expansion of emerging markets. Much new OEM investment taking place in developing regions.
- Emergence of Chinese players into the international market



Competitive advantage

- Our distinct product offering
- International reach
- Functional expertise
- Downstream capability



Lifting & Excavating



Our offering

- New sector focused approach centres on the customers' needs
- Stronger partnership with customers to support their globalisation ambitions
- Simplification of the purchasing process. Fewer points of contact. Doing business becomes easier.
- Cohesive technical partnership through the product life cycle

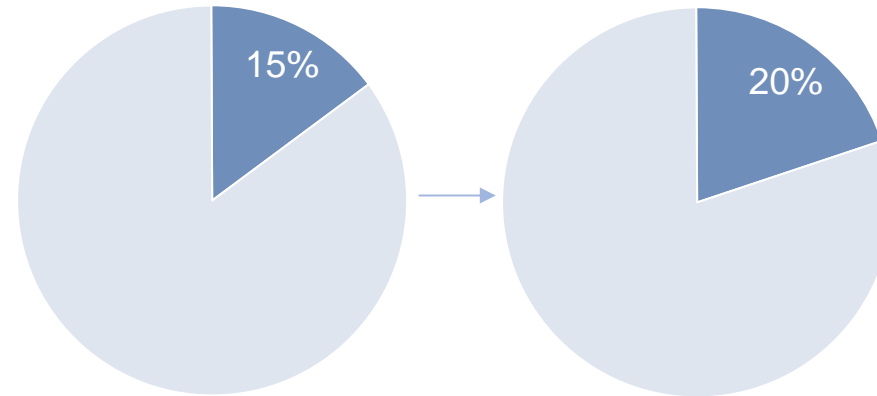
An example



Expanded supply in to key customers

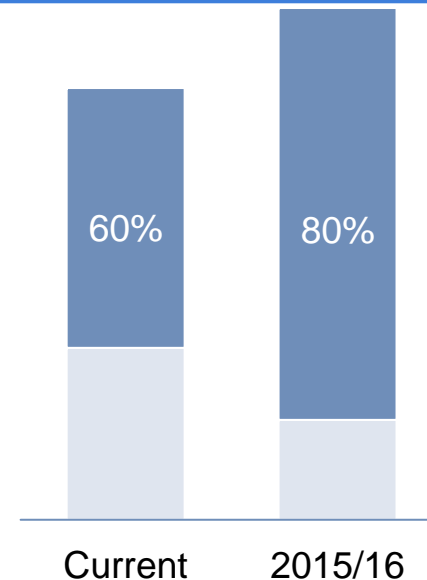
TATA STEEL

Market Share growth



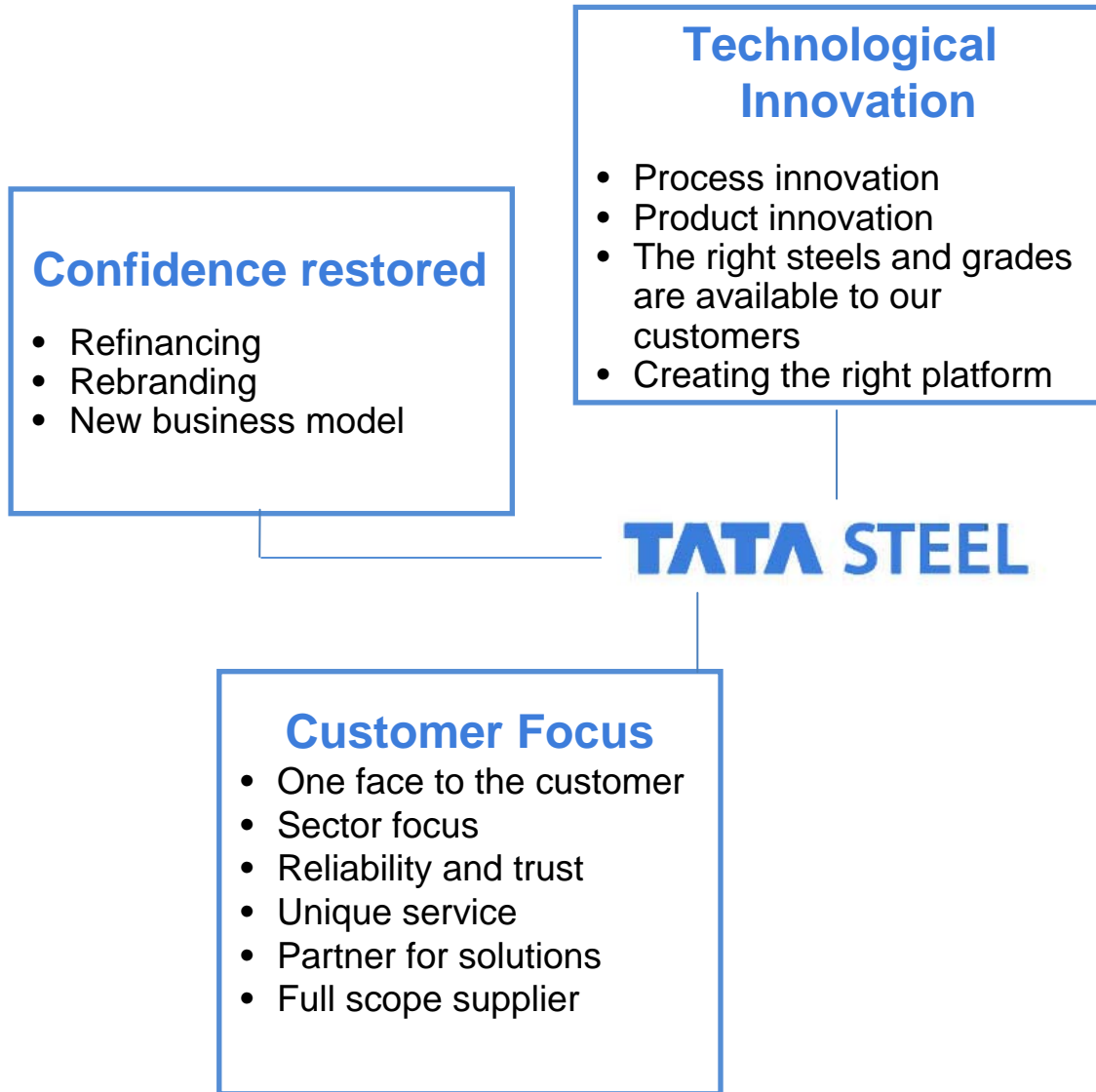
Addressable market share – EU and NAFTA

Sector share of special profile production



Strategies for a new brand in the European Market

Moving towards customer focus with technological innovation



Technological innovation



Unique global R&D for process and product development



R&D

- 5 global R&D facilities
- 4 in Europe, leveraging in and out of India
- Almost 800 researchers in Europe



Process Innovation

- Securing the future
- Yield improvement
- Cost effectiveness
- Continuous improvement & breakthrough technology

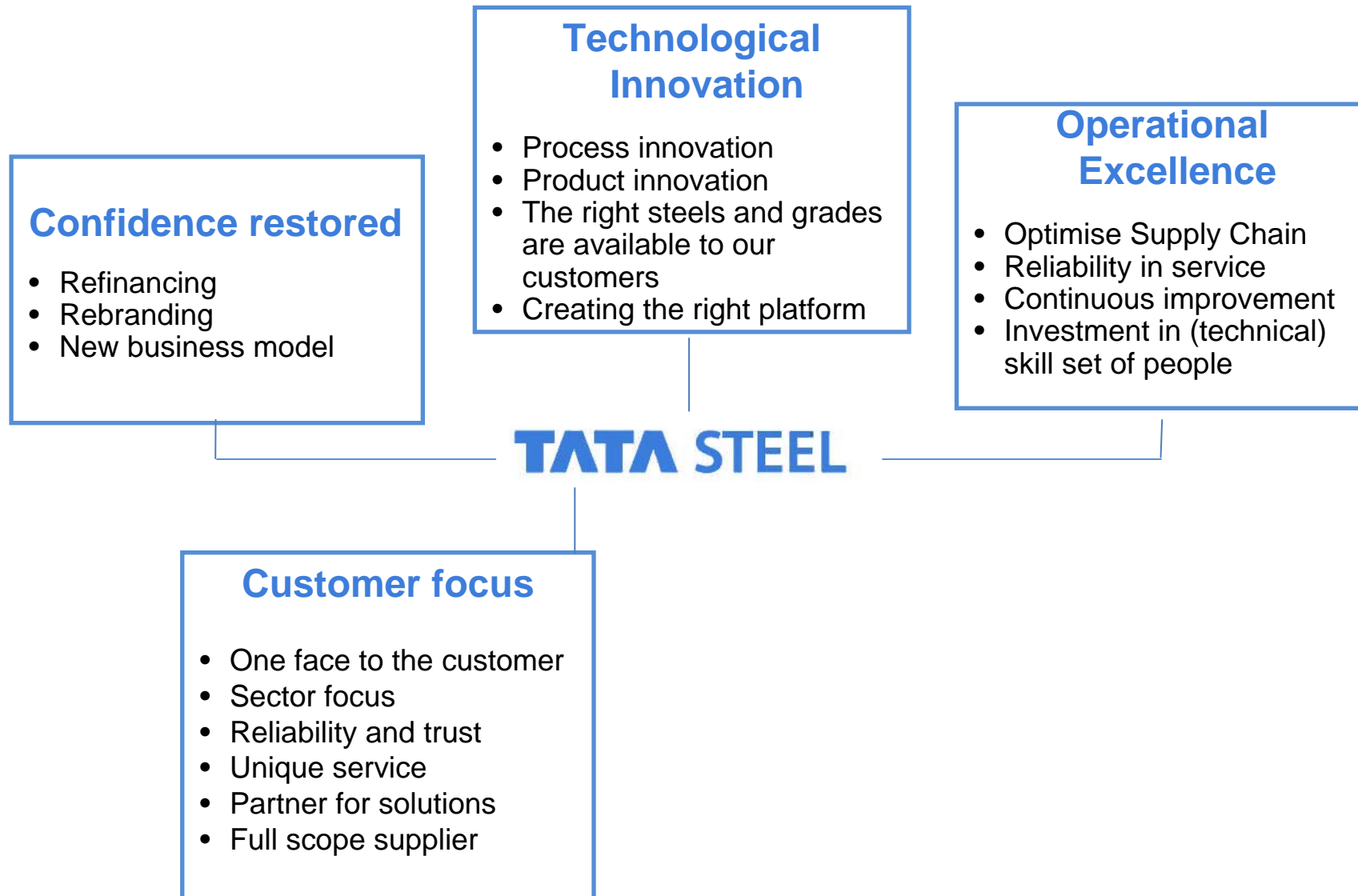


Product Development

- Increasing customer offerings
- Improving the portfolio
- Problem solving service
- Innovation together with our customers

Strategies for a new brand in the European Market

Excellent customer performance by operational excellence



Operational Excellence



Increase reliability to the maximum



Assets

- Asset performance improvement; quality, reliability, cost
- Asset portfolio optimisation



Flexible working

- Flexible workforce & working patterns
- Quick response to delight not just satisfy our customers
- Speciality steels focus

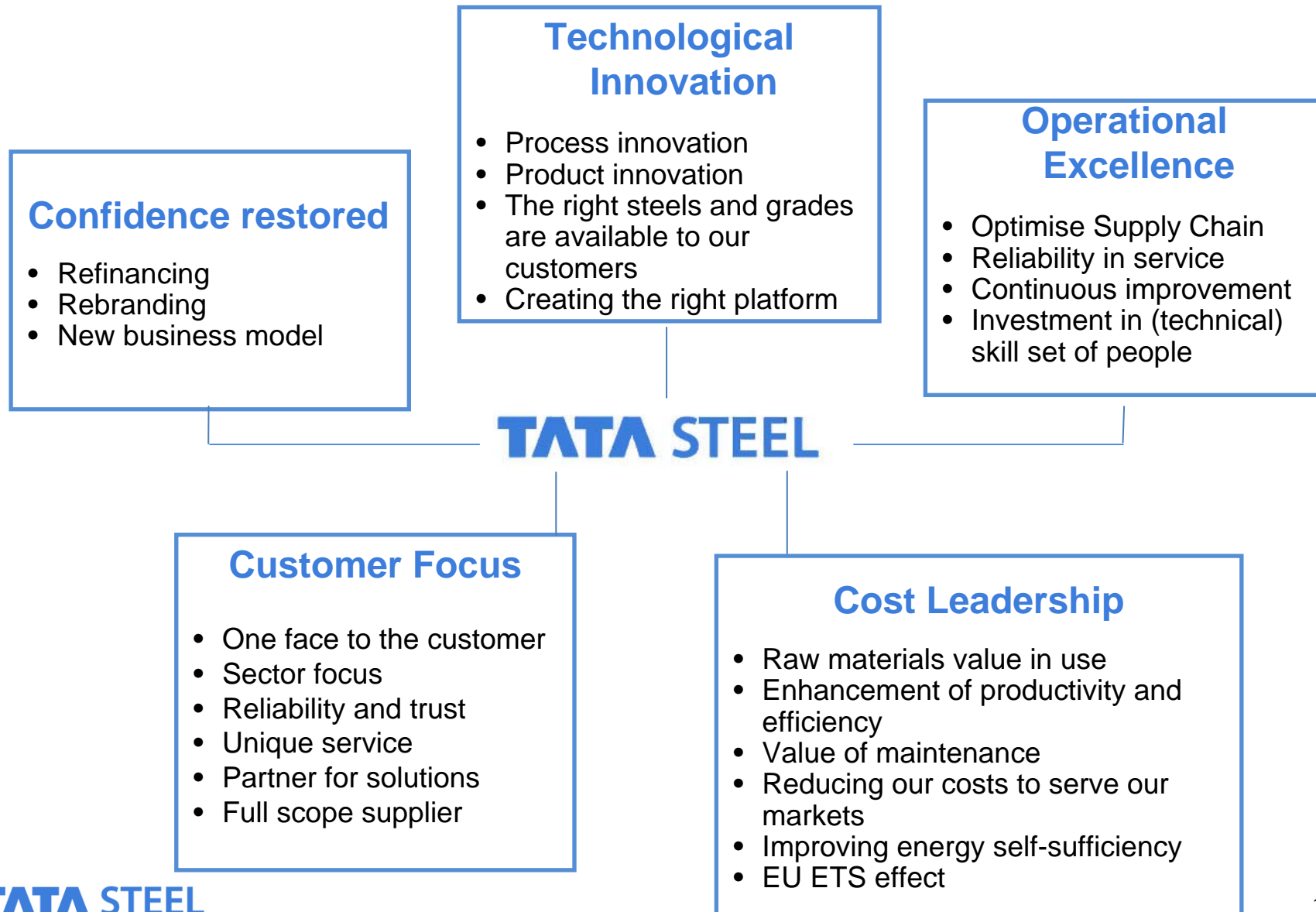


People

- Partnerships with universities
- Academy & training
- European leader in H&S
- Motivated people

Strategies for a new brand in the European Market

Operational excellence with cost leadership



Cost leadership

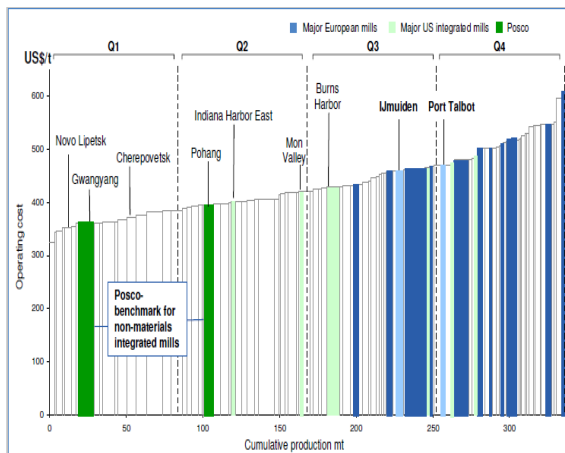


Flexible working model only way to create value for our customers in Europe



First steps...

- Weathering the Storm
- Fit for the Future



Improving position...

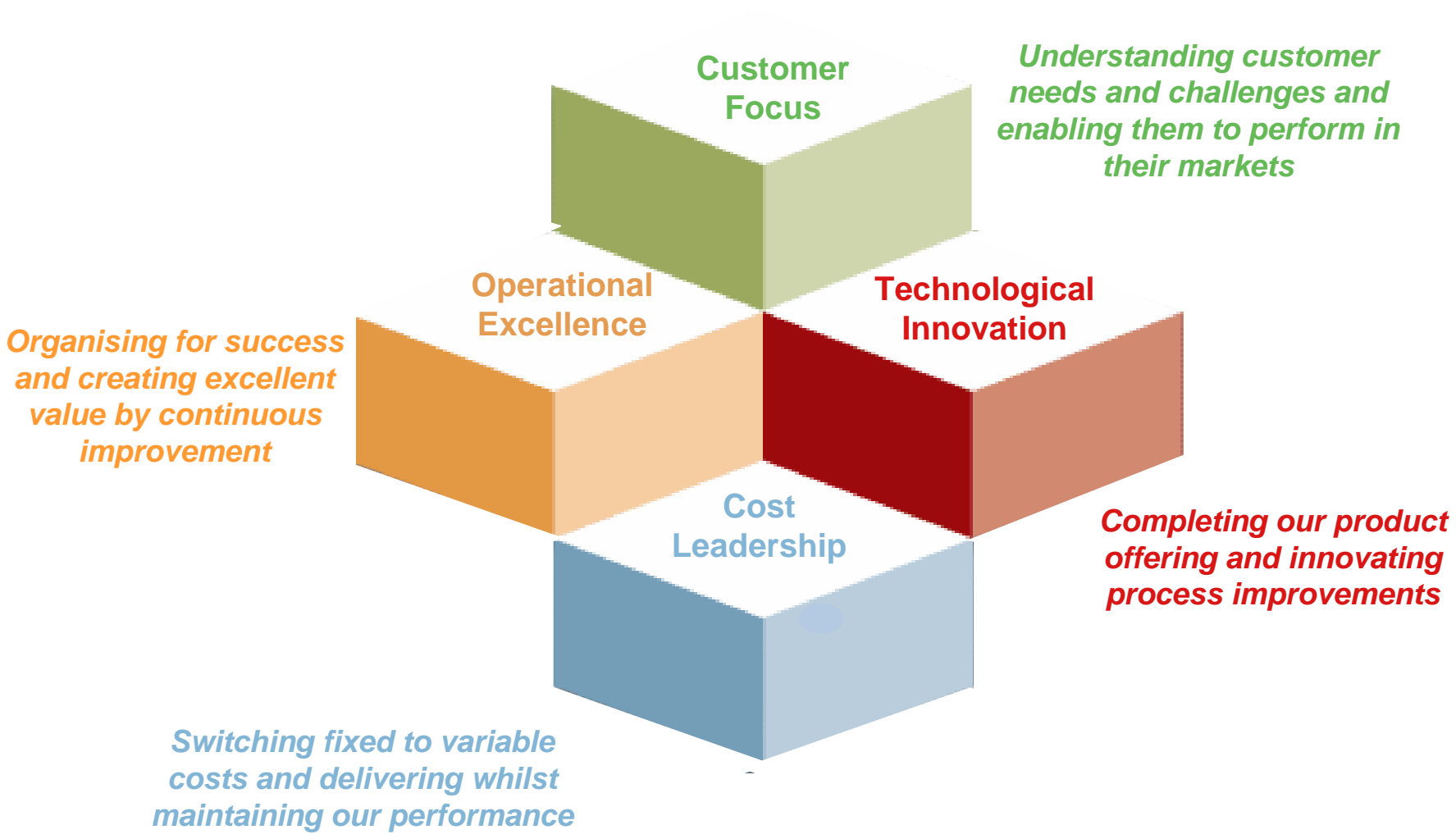
- IJmuiden – world class
- Port Talbot – cost competitive European player
- Scunthorpe – the flexible player in European market



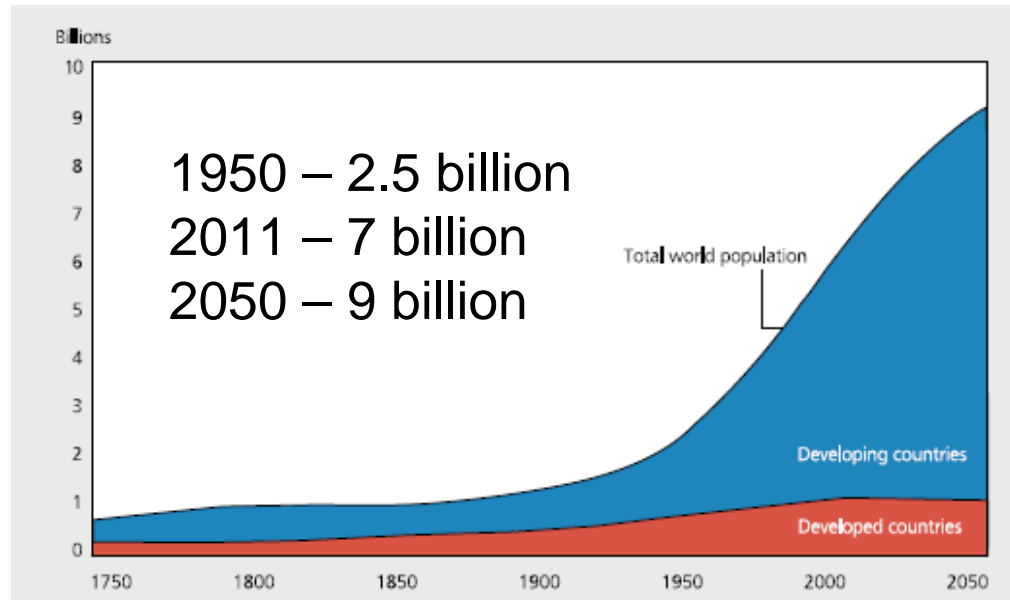
Supported by....

- Intensified capital investment
- Asset productivity
- Creating flexibility
- Raw materials strategy

Tata Steel in Europe



Steel enables Sustainable Development

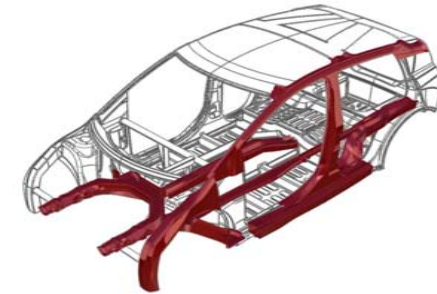


Shifting the perspective on steel:

- Building-block of modern society
- Steel is used – not consumed
- Represents a sustainable investment

- **Producing steel products for the future**

- Advanced high strength steels: potential saving of 60kg off the average car and 2.2 tonnes of CO₂ emissions over it's life
- MagiZinc: provides 4x the corrosion protection of HDG, meaning we can use over 60% less zinc



- **Improving our existing processes**

- Port Talbot: BOS gas recovery: £60m, saving 297,000 tonnes CO₂ annually
- Hartlepool: >90% waste diverted from landfill



- **Investing in the future of steel-making**

- ULCOS: €59m, 48 companies, reducing CO₂ emissions by 50% by 2050
- Hlsarna: producing steel at IJmuiden, 2011



Tata Steel Group Values



- Unity
 - Working together
- Integrity
 - Fair, honest and transparent
- Responsibility
 - Commitment and ownership
- Understanding
 - Care, respect and genuine interest
- Excellence
 - Highest standards, first time right



The Tata Steel Group vision is to be the world steel industry benchmark for value creation and corporate citizenship

- One integrated, customer-driven company
- Dedicated to understanding our customer's business
- Assisting our customers to perform in their market
- Working and growing in partnership
- Built on strong values and reputation



The background of the image features a dark blue field with a curved, lighter blue border at the top. A large, semi-transparent blue shape is positioned behind the text, creating a layered effect.

TATA STEEL