immediate use **PRESS RELEASE**

Tata Steel reports Consolidated Audited Financial Results for the Financial Year 2009-10

May 26 2010

Tata Steel Limited today declared Audited Consolidated Group Financial Results for the financial year ending March 31 2010.

Group Performance Highlights:

- **Tata Steel Group** reported a major improvement in profitability in the second half (H2 FY'10), with consolidated EBITDA of Rs. 8,734 crores (US$ 1,944 million) almost 15 times higher than the Rs. 606 crores (US$ 135 million) reported in H1 FY'10. Group EBITDA in the fourth quarter (Q4 FY'10) at Rs. 5,333 crores (US$ 1,187 million) rose 57% over Q3 FY'10 (Rs. 3,401 crores, US$ 757 million).
- The **Group** recorded Profit After Tax (after minority interest and share of profit of associates) of Rs. 2,907 crores (US$ 647 million) in H2 FY'10 compared to a loss of Rs. 4,916 crores (US$ 1,095 million) in H1 FY'10. PAT in Q4 FY'10 at Rs. 2,434 crores (US$ 542 million) was 416% higher than the Rs. 473 crores (US$ 105 million) reported in Q3 FY'10.
- **Group** EBITDA of Rs. 9,340 crores (US$ 2,079 million) in FY'10 compared to Rs. 18,497 crores (US$ 4,118 million) in FY'09. In FY'10 the Group reported a Loss After Tax (after minority interest and share of profit of associates) of Rs. 2,009 crores (US$ 447 million) compared to a Profit After Tax (after minority interest and share of associates) of Rs. 4,950 crores (US$ 1,102 million) in FY'09.
- **Tata Steel India** reported an EBITDA margin of 44% in H2 FY'10, up from 33% in H1 FY'10 on the strength of robust demand, which led to higher prices, and the Jamshedpur plant operating at higher than rated capacity.
- **Tata Steel Europe**: The Group's results were enhanced by the dramatic turnaround in the performance of Tata Steel Europe, which reported positive EBITDA of Rs. 2,303 crores (US$ 513 million) in H2 FY'10 compared to an EBITDA loss in H1 FY'10 of Rs. 3,655 crores (US$ 813 million) primarily on account of a stronger order book leading to higher capacity utilisation and lower costs in the second half of FY'10.
- **Steel Deliveries:** Group deliveries at 24.3 million tonnes in FY'10 were 15% lower compared to deliveries in FY'09 of 28.5 million tonnes. Consolidated deliveries in H2 FY'10 at 12.7 million tonnes were 9% higher compared to consolidated deliveries in H1 FY'10 of 11.6 million tonnes.
- **Turnover (Net sales plus other operating income):** Consolidated Turnover for the Group at Rs.102,393 crores (US$ 22,796 million) in FY'10 was 31% lower than in FY'09 (Rs. 147,329 crores, US$ 32,800 million) because of reduced capacity utilisation in Europe due to the impact of the financial crisis in the first half compared to record high volumes and prices in H1 FY'09. Turnover in H2 FY'10 rose 10% to Rs. 53,706 crores (US$ 11,957 million) compared to Rs. 48,687 crores (US$ 10,840 million) in H1 FY'10.
- **Net Finance Charges:** Net Finance Charges for the Group at Rs. 3,022 crores (US$ 673 million) in FY'10 were 8% lower than in FY'09 (Rs. 3,290 crores, US$ 732 million), primarily due to

lower interest charges on variable elements of senior debt facilities and repayment of debt at Tata Steel Europe.

- **PBT:** Consolidated Profit Before Tax in FY'10 at Rs. 31 crores (US$ 7 million) fell from Rs. 6,743 crores (US$ 1,501 million) in FY'09. In H2 FY'10 consolidated Profit Before Tax at Rs. 4,439 crores (US$ 988 million) was a reversal from the Loss Before Tax in H1 FY'10 of Rs. 4,408 crores (US$ 981 million).
- **Liquidity and Net Debt:** The Group continued to enjoy a strong liquidity position (including undrawn credit lines) of Rs. 14,185 crores (US$ 3,158 million) as of the end of March 2010, resulting from tight working capital management across geographies. The Group's net debt at the end of March 2010 stood at Rs. 44,382 crores (US$ 9,881 million).

1. Financial Performance Analysis:

Consolidated financial results summary (under Indian GAAP) for the quarter and year ended March 2010

US$Mn

Q4 FY'10	Q3 FY'10	Q4 FY'09	HIGHLIGHTS	FY'10	FY'09
6.5	**6.2**	**5.9**	**Steel Deliveries (Mn tons)**	**24.3**	**28.5**
6,123	5,833	5,889	Turnover	22,796	32,800
1,187	757	(62)	EBITDA	2,079	4,118
19.4%	13%	-1.1%	EBITDA Margin	9.1%	12.6%
(244)	(257)	(207)	Depreciation	(1,000)	(950)
(147)	(170)	(163)	Net Finance Charges	(673)	(732)
790	321	(425)	PBT before Exceptional Items	382	2,413
(80)	(44)	(628)	Exceptional Items	(375)	(912)
711	278	(1,052)	PBT after Exceptional Items	7	1,501
11.6%	4.8%	-17.9%	PBT Margin	0.1%	4.6%
542	105	(1,010)	Profit after Taxes, Minority Interest and Share of Associates	(447)	1,102
8.9%	1.8%	-17.1%	PAT Margin	-2%	3.4%
0.57	0.12	(1.46)	Diluted EPS (US$)	(0.55)	1.34

For the purposes of converting all financial numbers to US$ for all comparable periods, a US$/INR exchange rate of 44.9175 has been used throughout this document.

Notes:

1. The actuarial gains and losses on funds for employee benefits (pension plans) of Tata Steel Europe Limited for the period from April 1 2008 have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with IFRS principles and as permitted by Accounting Standard 21. This treatment is consistent with the accounting principles followed by Tata Steel Europe and earlier by Corus Group plc under IFRS. Had the company recognised changes in actuarial valuations of pension plans of Tata Steel Europe in the profit and loss account, the

Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
Tel 91 22 66658282 Fax 91 22 666577

consolidated loss after taxes, minority interest and share of profit of associates for the year ended March 31 2010 would have been higher by Rs. 3,541.23 crores and the consolidated profit after taxes, minority interest and share of profit of associates for the year ended March 31 2009 would have been lower by Rs. 5,496.58 crores.

2. The Company and its Indian subsidiaries have adopted the Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard AS11 during the last quarter of 2008-09. Consequently: (a) an exchange translation gain of Rs. 36.00 crores (loss of Rs. 45.58 crores during FY'09) {in consolidated results exchange translation gain of Rs. 51.41 crores for 2009-10 & loss of Rs. 54.81 crores for the previous year} has been adjusted to the carrying value of capital assets; (b) Rs. 85.67 crores (Rs. 30.79 crores during FY'09), being amortisation of cumulative net loss, has been charged to the profit & loss account. Had the Company followed the previous practice of recognising the translation gain / loss in the profit & loss account, the Net Profit for the year would have been higher by Rs. 561.60 crores (lower by Rs. 889.47 crores for the previous year). The consolidated loss after taxes, minority interest and share of profit of associates for the year ended March 31 2010 would have been lower by Rs. 577.04 crores (the consolidated profit after taxes, minority interest and share of profit of associates for the year ended March 31 2009 would have been lower by Rs. 899.58 crores).

3. The Company changed its accounting policy for the accounting of derivatives from April 1 2009 in the consolidated accounts. In the absence of any operative Indian Accounting Standard on the subject, changes in fair value of outstanding derivative instruments designated as cash flow hedges against firm commitments and highly probable forecast transactions, which were hitherto accounted in the profit & loss account, have now been accounted in "Reserves & Surplus" in accordance with IFRS principles and the proposed Accounting Standard AS30. Had the Company not changed the policy, the consolidated loss after taxes, minority interest and share of profit of associates for the year ended March 31 2010 would have been lower by Rs. 61.53 crores.

4. During the current quarter the investment in Riversdale Mining Limited has crossed the threshold limit of 20% and accordingly it has become an associate company.

5. Pursuant to the sanction of the Honourable High Court of Calcutta to the Scheme of Amalgamation, the assets and liabilities of the erstwhile Hooghly Met Coke & Power Company Ltd, whose principal business was the manufacture of metallurgical coke, have been merged with the Company with effect from April 1 2009.

6. Figures for the previous period have been regrouped and reclassified to conform to the classification of the current period, wherever necessary.

7. The above results were reviewed by the Audit Committee in its meeting held on May 25 2010 and were approved by the Board of Directors in its meeting on May 26 2010.

Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
Tel 91 22 66658282 Fax 91 22 666577

8. The Board of Directors has recommended a dividend of Rs. 8 per share on Ordinary Shares for the financial year 2009-10.

9. The Annual General Meeting of the Company will be held on August 13 2010 to consider the accounts for the financial year 2009-10

Executive Comment

Tata Steel Europe MD & CEO Mr. Kirby Adams said: "I am pleased to report that the decisive measures we have been taking to combat the 35% slump in European steel demand last year have succeeded in dramatically improving the company's financial and safety performance. The employees of Tata Steel Europe deserve great credit for achieving growth in market share, a higher value-added mix, significant and lasting cost reductions, and in Q4 the first Profit After Tax in 1½ years. As we move into a 'One Company' business model, ever greater opportunities lie ahead to improve business performance and win customer support."

Tata Steel MD Mr. Hemant Nerurkar said: "The contribution of the Asian operations to the Group's crude steel production rose to 37% last year, compared to 30% the previous year. The strong and stable growth trajectory for the Indian economy is forecast to continue, which bodes well for Indian steel demand, though there are inflationary pressures arising on the supply side. It would be helpful to have access to new domestic raw materials sources in order to combat this danger. Meanwhile we are accelerating our efforts to increase self-sufficiency through projects overseas."

Tata Steel Group

FY'10 performance compared to FY'09: Group EBITDA in FY'10 halved to Rs. 9,340 crores (US$ 2,079 million) compared to Rs. 18,495 crores (US$ 4,118 million) in FY'09 because of lower capacity utilisation in the first half, primarily at Tata Steel Europe, and lower average selling prices compared with the all-time high price levels before the onset of the financial crisis in September 2008. Tata Steel India registered EBITDA growth of 4% in FY'10 to an all-time record of Rs. 9,806 crores (US$ 2,183 million) compared to Rs. 9,442 crores (US$ 2,102 million) in FY'09. This was primarily due to an 18% increase in deliveries and to performance improvement measures. Steel deliveries for the Group during FY'10 at 24.3 million tonnes were 15% lower than in FY'09.

Q4 FY'10 performance compared to previous quarters: Group EBITDA at Rs. 5,333 crores (US$ 1,187 million) in Q4 FY'10 rose 57% over Q3 FY'10 on account of greater volumes and higher prices at Tata Steel India and the much-improved operating performance at Tata Steel Europe. Group EBITDA in Q4 FY'10 rose by Rs. 5,612 crores (US$ 1,250 million) compared to EBITDA loss of 279 crores (US$ 62 million) in Q4 FY'09. The Group's steel deliveries improved by 3% in the fourth quarter compared with Q3 FY'10 and by 10% compared to Q4 FY'09.

Group Safety Performance: The Group's safety performance improved by 27% during the year, the LTIF (Lost Time Injury Frequency) rate dropping to 0.95 and closer to the goal in the Group Vision of 0.4. However, there were 5 fatalities across the Group during the year, which focused attention on the need for safety to be the No 1 priority at all Group facilities.

Tata Steel India

Turnover at Tata Steel India increased by 12% to Rs. 7,339 crores (US$ 1,634 million) in Q4 FY'10 compared to Q4 FY'09 and by 15% compared to Q3 FY'10. EBITDA rose by 140% to Rs. 3,599 crores (US$ 801 million) in Q4 FY'10 compared to Q4 FY'09 and by 49% compared to Q3 FY'10.

Finished steel production at Tata Steel India for Q4 FY'10 at 1.7 million tonnes rose by 4% compared to Q4 FY'09 and was almost unchanged from Q3 FY'10. Sales volume at 1.7 million tonnes for Q4 FY'10 fell 5% compared to Q4 FY'09 on account of higher sales in Q4 FY'09 to liquidate built-up inventories. Sales volume rose by 6% in Q4 FY'10 compared to Q3 FY'10.

Tata Steel India ended the financial year in robust shape, achieving new production records in almost all its operations as well as a series of delivery records.

The company recorded its best ever production of hot metal (7.23 million tonnes), crude steel (6.56 million tonnes) and saleable steel (6.44 million) during the year. The new 'H' Blast Furnace beat its design capacity by 22%, producing 3.07 million tonnes. These new hot-end records were achieved on the back of best-ever output from the iron ore mining operations. The Ore Mines & Quarries (OMQ) division's output of 11.08 million tonnes beat the 9.42 million tonnes of FY'09, while West Bokaro recorded its highest ever clean coal output of 2.14 million tonnes (1.98 million the previous year).

Similarly, new records were set in the downstream rolling facilities: hot strip output rose to 3.65 million tonnes (previous record: 3.27 million in FY'08), cold rolled coil to 1.56 million (1.53 million in FY'08) and output from the new bar mill to 0.67 million (0.61 million in FY'09).

Tata Steel India's sales performance rose on the back of the higher output levels. Overall sales grew 18% to 6.17 million tonnes: there was a 34% rise in long products sales to 2.7 million tonnes and a rise of 8% in flat products sales to 3.47 million tonnes.

Tata Steel Europe (Corus)

Turnover at Tata Steel Europe in Q4 FY'10 of Rs. 17,091 crores (US$ 3,805 million) increased by 2% compared to Q3 FY'10 on account of a 4% increase in deliveries and higher average selling prices. Turnover dropped by 4% compared to Q4 FY'09 on account of a 15% drop in average selling prices offset by an 11% increase in deliveries. EBITDA of Rs. 1,643 crores (US$ 366 million) in Q4 FY'10 was a substantial turnaround from the EBITDA loss of Rs 1,430 crores (US$ 318 million) recorded in Q4 FY’09 and an increase of 149% compared with Q3 FY’10 EBITDA of Rs. 660 crores (US$ 147 million).

Liquid steel production for Q4 FY’10 rose by 32% to 3.7 million tonnes compared to Q4 FY’09 (2.8 million tonnes) as idled capacity in Wales and the Netherlands resumed, but fell 11% compared to Q3 FY’10 (4.2 million tonnes) due to the partial mothballing of TCP in February and production losses on account of planned repairs to the No 7 Blast Furnace at IJmuiden. Steel deliveries in Q4 FY’10 rose 11% to 3.9 million tonnes compared to Q4 FY’09 (3.5 million tonnes) and 4% compared to Q3 FY’10 (3.8 million tonnes).

A dramatic turnaround in the company’s financial and operating performance was delivered in the second half of the financial year, when EBITDA rose by more than $1,300 million. H2 FY’10 EBITDA of Rs. 2,303 crores (US$ 513 million) compared to an H1 EBITDA loss of Rs. 3,655 crores (U$ 813 million). The improvement was achieved entirely through productivity and efficiency gains, as average selling prices in H2 were slightly down on H1. Key to the improvement was the c. US$ 1,500 million in promised savings delivered during the year through the company-wide cost-saving and restructuring programmes, enabling the company in Q4 to record its first Profit After Tax since the December 2008 quarter (Q3 FY’09).

During the year, as market conditions improved, the Company brought back on stream several facilities that had been temporarily taken out of production. This included the Nos 4 and 6 Blast Furnaces at Port Talbot and IJmuiden, the “Queen Bess” Furnace at Scunthorpe and the Llanwern Hot Strip Mill. New operating and productivity records were achieved at Port Talbot.

In contrast, almost a year after four international companies walked away from their 10-year obligation to take 78% of TCP slab, in February 2010 the iron and steel making facilities at TCP were mothballed. Tata Steel Europe thereby halted its exposure to the volatile international merchant slab market and stopped the TCP losses, which accounted for the vast majority of the Company’s overall EBITDA losses for the year. The partial mothballing of TCP has resulted in higher capacity utilisation at other UK facilities, whose costs per unit of production have correspondingly declined. The Company continues to seek a long-term solution for all TCP assets and to welcome approaches from credible strategic partners. To ensure due process is carried out and to maintain momentum following the partial mothballing, Citigroup was engaged in February to manage the TCP process.

During the downturn the company has continued to invest in its people and in product and process development, in part through its £100 million annual spend on R&D. A €35 million investment was announced to make 108-metre rails at the Hayange site in France, and a new advanced high-strength steel, Dual Phase (DP) 800HyPerform, was launched to serve the automotive market. The company also launched a $118 million four-year supply chain improvement programme. In a further effort to enhance customer service the Company started work on a new ‘One Company’ operating model, which is intended to improve on the divisional structure with a renewed focus on customers and market sectors.

TATA STEEL GROUP
Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
Tel 91 22 66658282 Fax 91 22 666577

NatSteel (Steel Business)

Turnover at NatSteel rose by 10% in Q4 FY'10 to Rs. 1,488 crores (US$ 331 million) compared to Q4 FY'09 (Rs. 1,357 crores, US$ 302 million), but fell by 9% compared to Q3 FY'10 (Rs. 1,632 crores, US$ 363 million). EBITDA of Rs. 48 crores (US$ 11 million) in Q4 FY'10 rose from Rs. 4.5 crores (US$ 1 million) in Q4 FY'09 but fell 31% compared to EBITDA of Rs. 69 crores (US$ 15 million) in Q3 FY'10.

Finished steel production at NatSteel for Q4 FY'10 was 31% higher at 430 k tonnes compared to 329 k tonnes in Q4 FY'09, but 6% lower than in Q3 FY'10 (456 k tonnes). Steel deliveries in Q4 FY'10 at 577 k tonnes were up 30% compared to 443 k tonnes in Q4 FY'09, but down 10% compared to Q3 FY'10 (642 k tonnes).

Tata Steel Thailand

Turnover at Tata Steel Thailand rose by 51% in Q4 FY'10 to Rs. 908 crores (US$ 202 million) compared to Q4 FY'09 (Rs. 600 crores, US$ 134 million) and by 14% compared to Q3 FY'10 (Rs. 796 crores, US$ 177 million). EBITDA fell 60% to Rs. 15 crores (US$ 3 million) in Q4 FY'10 compared to Q4 FY'09 (Rs. 38 crores, US$ 8.5 million) and by 58% compared to Q3 FY'10 (Rs. 35 crores, US$ 8 million).

Finished steel production at Tata Steel Thailand for Q4 FY'10 was 87% higher at 364 k tonnes compared to Q4 FY'09 (195 k tonnes) and 32% higher than in Q3 FY'10 (275 k tonnes). Steel deliveries in Q4 FY'10 rose 48% to 341 k tonnes compared to Q4 FY'09 (230 k tonnes) and by 16% compared to Q3 FY'10 (294 k tonnes).

2. Financing

In May 2009 Tata Steel UK (TSUK) obtained consent from its lenders to an amendment proposal under which testing of earnings related covenants was suspended till March 2010, while TSUK would continue to meet interest and repayment obligations. The testing of covenants resumed in March 2010 and TSUK was compliant with its obligations. As part of the amendment, Tata Steel India procured funds to be injected into Tata Steel UK amounting to £200 million in June 2009 and £225 million in September 2009.

In the early part of FY'10 the Group focused on maintaining adequate liquidity in the face of market uncertainty. In Q1 FY'10 Tata Steel raised Rs. 2,849 crores (US$ 634 million) via term loans and Rs. 2,150 crores (US$ 479 million) via Non-Convertible Debentures. In July 2009 it issued Global Depository Receipts worth US$ 500 million at US$ 7.644 per share. This was one of the largest GDR offerings by an Indian company on the London Stock Exchange.

Having weathered the most challenging phase of the credit crisis, the Group focused on deleveraging and reducing financing costs. In November 2009 Tata Steel successfully exchanged US$ 493 million (along with accreted redemption premium) of its existing Convertible Alternative Reference Securities yielding 5.15% pa for new Foreign Currency Convertible Bonds worth US$ 546.94 million yielding 4.5% pa. In Q3 and Q4 Tata Steel prepaid Rs. 2,000 crores (US$ 445 million) of rupee debt and US$ 300 million of foreign currency loans. Tata Steel UK prepaid £100 million in June 2009. A further prepayment of £112.5 million is due in May 2010

3. Corporate Developments

The Company continued to implement its long-term strategy to secure ownership of assets that will increase its raw materials security and share of value-added products:

- In February 2010 New Millennium Ltd, a Canadian listed company, approved the outcome of a feasibility study to develop a project to mine its 100% owned Direct Shipping Ore properties in Quebec and Labrador. The Project has proven and probable mineral reserves of 64.1 million tonnes. Production of 4 million tonnes of sinter fines is expected to commence from Q3 2011 at a capital cost of C$ 300 million. In May 2010 Tata Steel entered into a Letter of Intent to subscribe to 14.285 million shares of the company at C$ 1.40 per share for an aggregate price of C$ 20 million. If the offer is completed, Tata Steel's stake will increase to 27.4% from its current holding of 19.65%.

- In April 2010 a Ground Breaking Ceremony was held at the Benga Coal Project in the presence of the President of the Republic of Mozambique, His Excellency Armando Emílio Guebuza. Tata Steel Limited owns a 35% stake in the Benga Project through Riversdale Energy (Mauritius) Ltd, a subsidiary of Riversdale Mining Ltd, Australia, in which Tata Steel holds a 21.2% stake. The official ceremony followed a series of milestones already achieved by the Company, such as the signing of the Mining Contract, approval of the Environmental Licences for the Benga Coal Project and the Benga Power Project, and the approval of Stage 1 of the Benga Coal Project following the completion of a feasibility study for the production of 10.6 million run-of-mine tonnes in two phases. Other key contracts and agreements include the CHP Power Plant Supply Contract, a Resettlement Action Plan, and the Project Labour Agreement (PLA), which was signed with SINTICIM (the Mozambique National Construction and Mineworkers Union). Stage 1 entails initial production of 5.3 million run-of-mine tpa to produce approximately 1.7 million tpa of high-quality hard coking coal and 300 k tpa of export-quality thermal coal by Q2 2011.

- In May 2010 the coal reserve for the Benga project was upgraded by 84% to 502 million tonnes and the measured coal resource was also upgraded by 126% to 710 million tonnes over April 2009 estimates. The total measured, indicated and inferred coal resource for Benga Coal Mine is estimated at 4 billion tonnes. A feasibility study for Stage 3 to assess the economic viability of producing 20 million run-of-mine tpa will be initiated shortly.

Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001
Tel 91 22 66658282 Fax 91 22 666577

The 2.9 million tpa expansion at Jamshedpur is proceeding on schedule and is expected to be commissioned by the end of 2011. Financing for the expansion has been completed: Rs. 9,339 crores (US$ 2,079 million) in rupee debt finance has been arranged via a consortium of 22 banks led by State Bank of India as well as long-term buyer's credit of €264 million. These loans are presently undrawn and will be drawn as required.

During the year the Company's Indian operations continued their efforts to improve their product and service offerings to the most demanding market sectors. The most notable example of this was the signing of an agreement between Tata Steel and Nippon Steel to set up a 51:49 joint venture to build a 600 k tpa Continuous Annealing & Processing Line at Jamshedpur. This initiative will add value to the cold rolled sheet Tata Steel supplies to the automotive sector in India.

Tata Steel Europe completed a £60 million investment to recycle process gases from the steel meltshop at Port Talbot. The new facility commissioned in May 2010, reduces Port Talbot's carbon dioxide emissions by 240 k tpa, its particulate emissions by 40 tpa and its requirement for energy from the grid by half (60% less natural gas and 20% less purchased electricity).

Disclaimer

For investor enquiries contact:

Sandip Biswas
Tel : + 91 22 6665 7328/7298
e-mail : sbiswas@tata.com

Praveen Sood
Tel : + 91 22 6665 7306
e-mail : p.sood@tatasteel.com

For media enquiries contact:

Bob Jones
Tel : + 44 20 7717 4532
e-mail : bob.jones@corusgroup.com

Sanjay Choudhry
Tel : + 91 657 243 1142
e-mail : sanjay.choudhry@tatasteel.com