

May 14, 2015

### **Tata Steel – Review of Impairment for FY 2014 -15**

Tata Steel Limited (“Company”) today announced that it has substantially completed its year end impairment of goodwill, property, plant and equipment review for the consolidated financial statements for the financial year ended March 31, 2015 as required under the Indian Accounting Standards. The review was undertaken taking into account the external economic environment and macro-economic conditions in each geography of operation, the underlying demand – supply imbalance facing the global steel industry, significant volatility in iron ore and coal prices in the last twelve months and the current view of long term forecast of steel and its raw material prices. Following the review, the Company expects to recognize a non-cash write-down of the goodwill and assets in the consolidated financial results in the fourth quarter for the year ended March 31, 2015 of approximately Rs. 5,000 crores, mainly relating to the Long Products UK business in Tata Steel Europe which will now be fully impaired.

The impairment also includes a write down of investments in overseas raw materials projects in Mozambique, Ivory Coast and Taconite project in Canada because the economic viability of these projects remains uncertain at the current level of commodity prices.

Additionally, the Company undertook a non cash impairment charge of Rs. 1,577 cores in the first quarter of the FY 2014-15 towards its investment in the Mozambique Coal Project. The total impairment charge for the FY 2014-15 would be around Rs. 6,500 crores in the consolidated financial results.

The details of the impairments will be included in the audited financial results on 20th May 2015. The Company’s liquidity position or financial covenants are unaffected by the above non-cash write down.

#### **About Tata Steel**

Established in 1907 as Asia's first integrated private sector steel company, Tata Steel Group is among the top global steel companies with an annual crude steel capacity of nearly 30 million tonnes per annum (MnTPA). It is now the world's second-most geographically-diversified steel producer, with operations in 26 countries and a commercial presence in over 50 countries. The Tata Steel Group, with a turnover of US\$ 24.81 billion in FY 14, has over 80,000 employees across five continents and is a Fortune 500 company.

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Statements in this press release describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.

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