

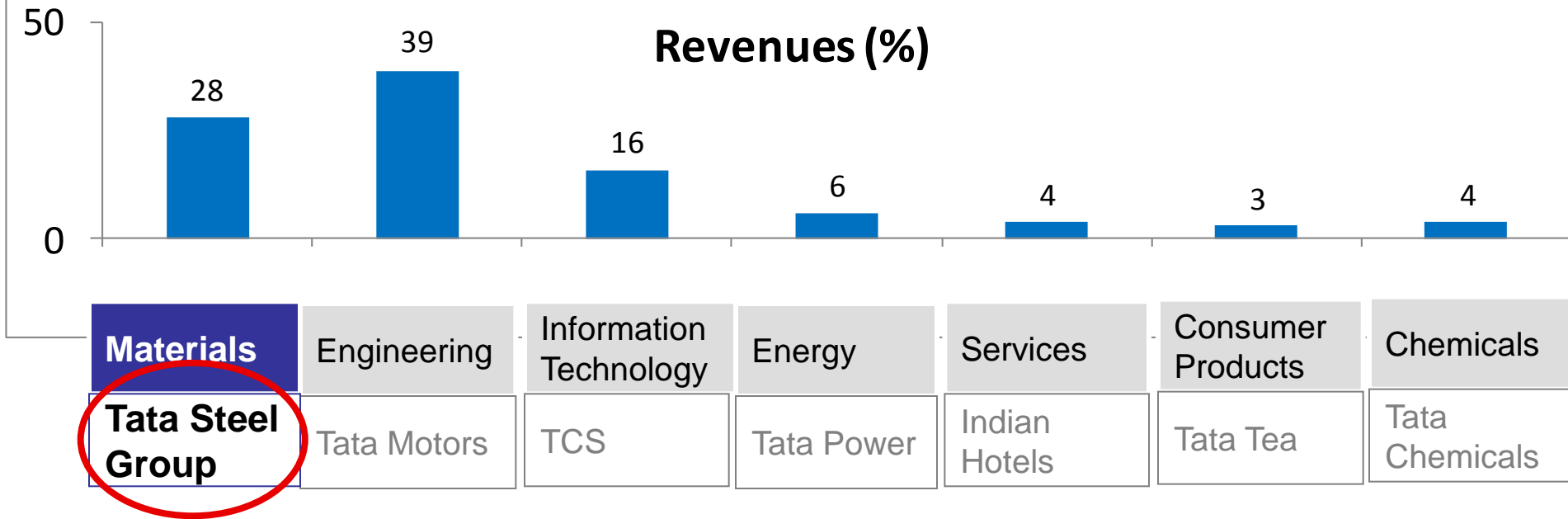
INDIA DAY (PDAC 2013)

5<sup>th</sup> March 2013

Toronto, Canada

# Tata Steel Limited : Heritage & Group Connect

# Tata Group : Diversified & most respected



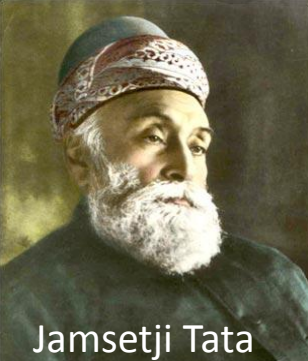
- 145 year old (established in 1868) **professionally managed** Business Group
- **Total revenue (FY11)** : \$ 100.09 billion; **significant global presence** with 58% earnings coming from business outside India
- **Cultural diversity** : 450,000 people employed worldwide in 100 companies (FY12)
- **Unique business model** : 2/3rd of Tata Sons equity held by philanthropic Trusts (**Social Expenditure** in 2011 was 3% of Net Profit)
- **Innovation & customer focus** is guiding philosophy : **Ranked 17th** among the 50 most **Innovative companies in the world** (2010, *Business Week*)
- **Ranked 6<sup>th</sup> most respected Industrial Group in the world** – Reputation Institute 2008

# Tata Group : Pioneers in nation building

## Tata Steel

- a part of **Tata Steel Group**
- a part of **Tata Group**

### Founder

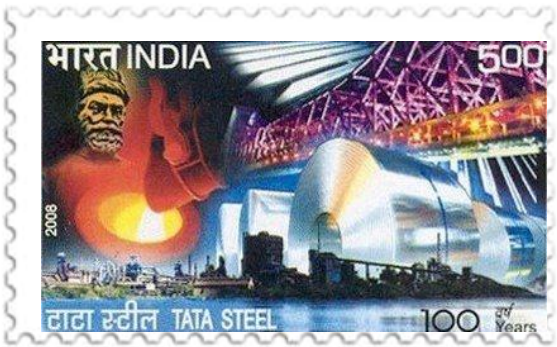


Diversified yet a universal value system

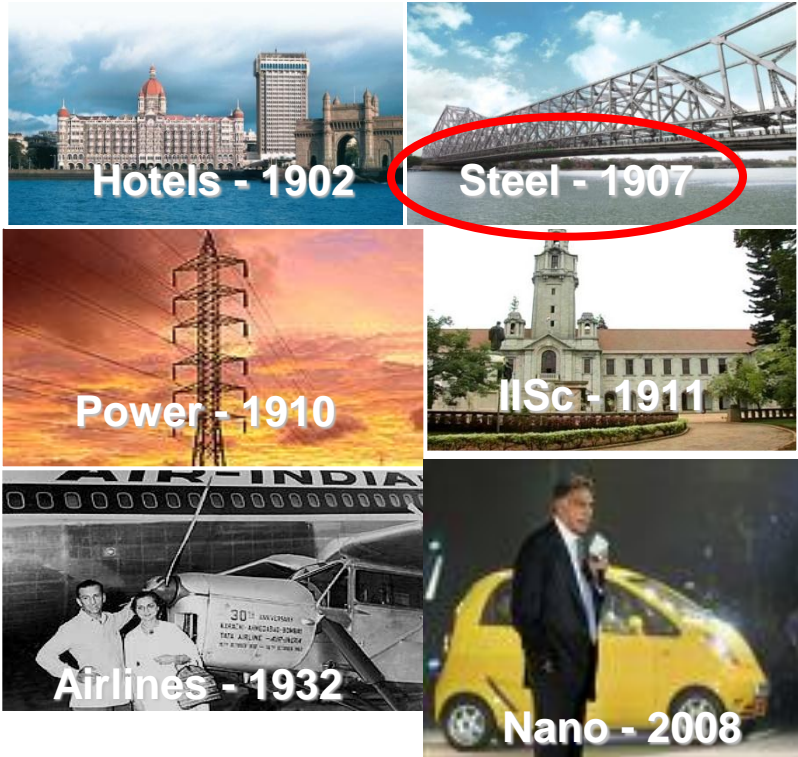
- Trusteeship
- Integrity
- Respect for individuals
- Credibility
- Excellence

*“In a free enterprise, the community is not just another stake holder in the business but in fact the very purpose of its existence.”*

Jamsetji Tata

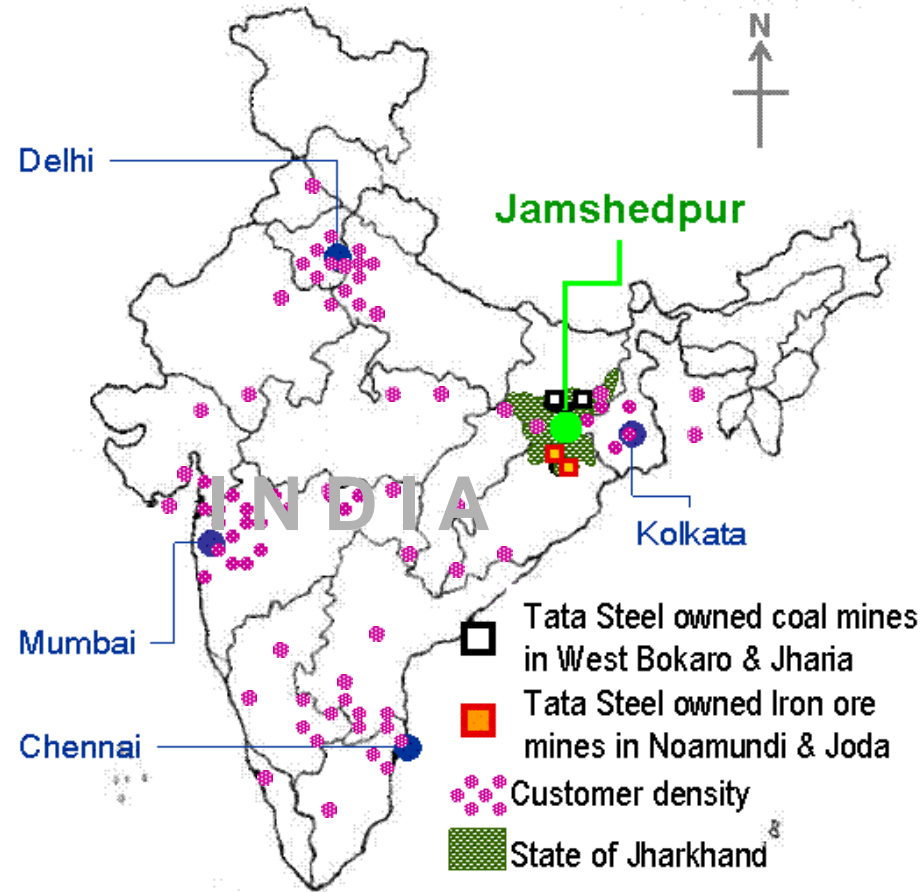


### First in India in many sectors

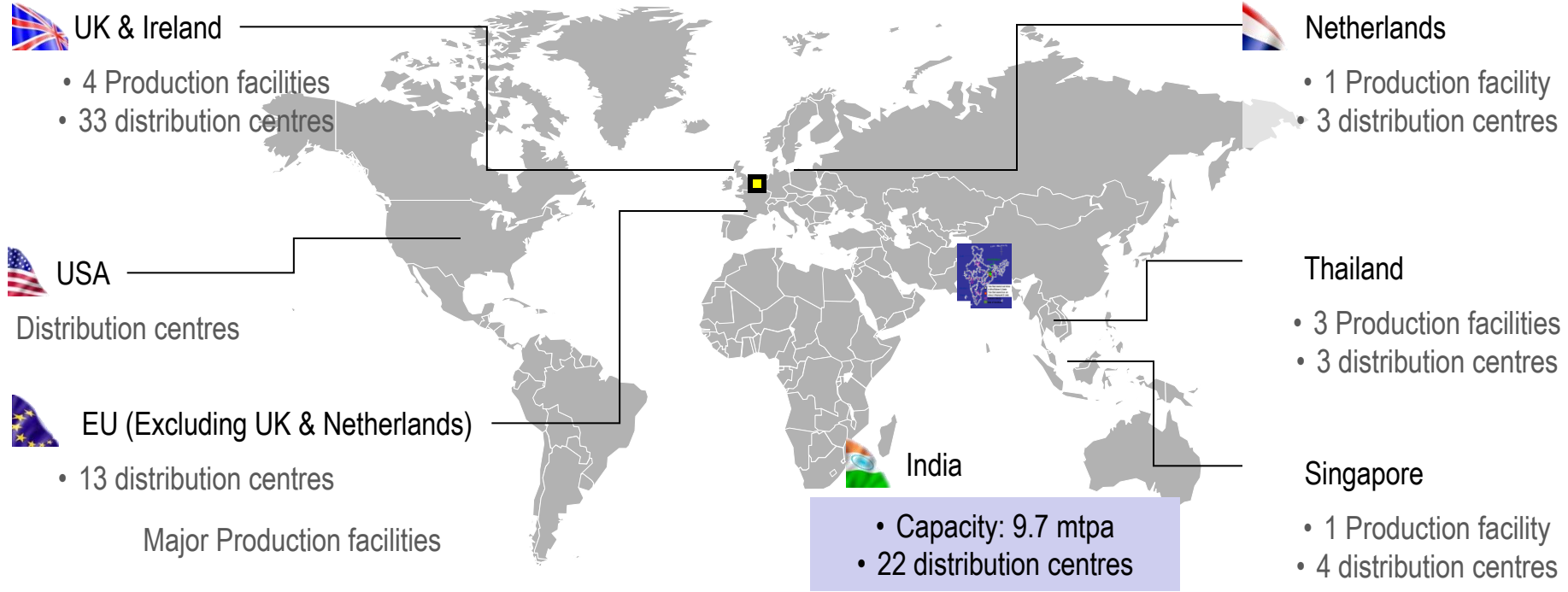


# Tata Steel India: 105 years old : still young & flourishing

- Building & nurturing long term relationship with customers : large percentage of them have greater than 10 years of business relationship (many distributors for two generations)
- Only private company in India maintaining a township
- Large employee base (35,000 employees) and respect for people (many, for many generations)
- Pioneer in Industrial harmony: 85 years without any labor unrest
- Sustaining cost leadership by ensuring raw material security; 100% Iron Ore, 45% Coal
- Equity partnership for key commodities in entire value chain : Ferro Alloys, Rolls, Refractories, Shipping , Service Centres
- Reference site selected by United Nations (Global Compact) for Corporate Social Responsibility



# Tata Steel Group : Global presence



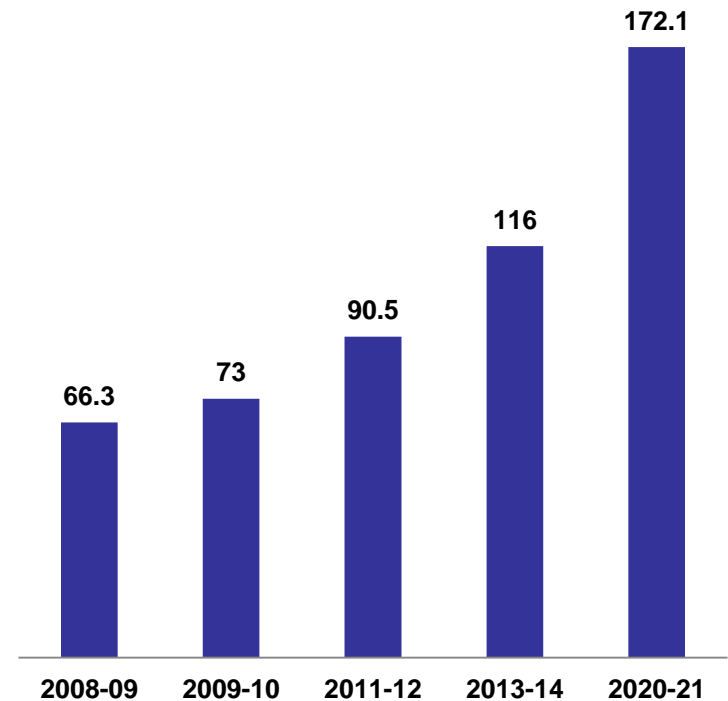
- Capacity of 30 million tonnes
- Geographically wide spread in 5 continents; Manufacturing units in 26 countries
- Group revenue: US \$ 26 Billion ; 85,000 employees representing > 20 nationalities
- Wide variety of products\*
- Ranked 231 amongst the Fortune 500 companies (2008)

\*Products: Flat Steels, Long Steels, Wires, Tubes, Ferro Alloys, Special sections, Engineering products, Rolls, Refractory, Sponge Iron, Pig Iron, Specialty construction products, shipping, Port Operations

# Indian Steel Capacity

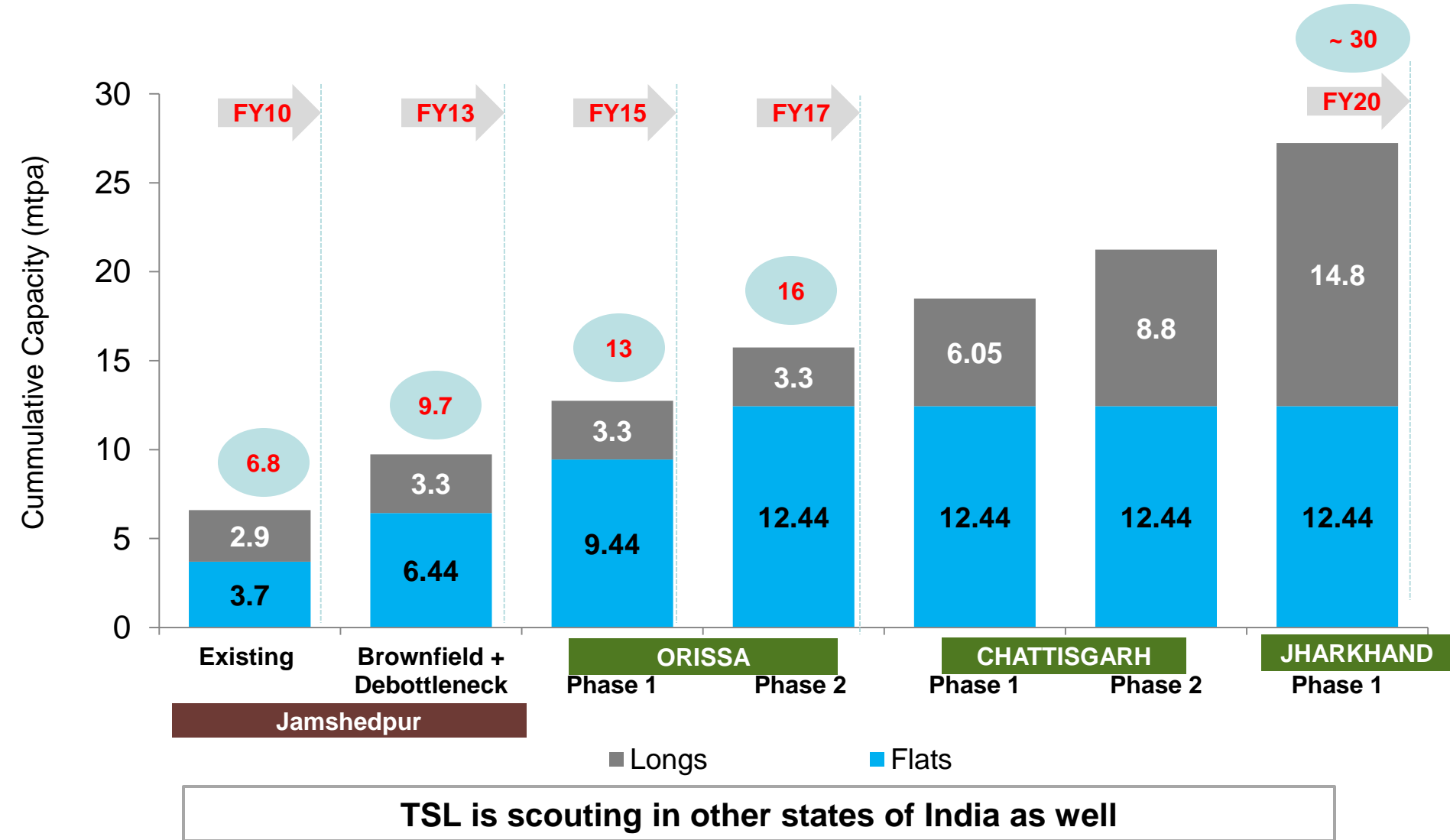
- Opportunities seen in the Indian steel market have brought in significant investments in both Greenfield and Brownfield steel projects.
- Crude steel making capacity is set to grow from 90 million tonnes currently to 120 million tonnes by 2015.
- Bulk of the immediate capacity expansions are on the Brownfield sites and in final stages of completion.
- Greenfield projects have been delayed after global economic slowdown in 2008 and 2009 period.

India's Crude Steel Capacity ( Million tonnes)

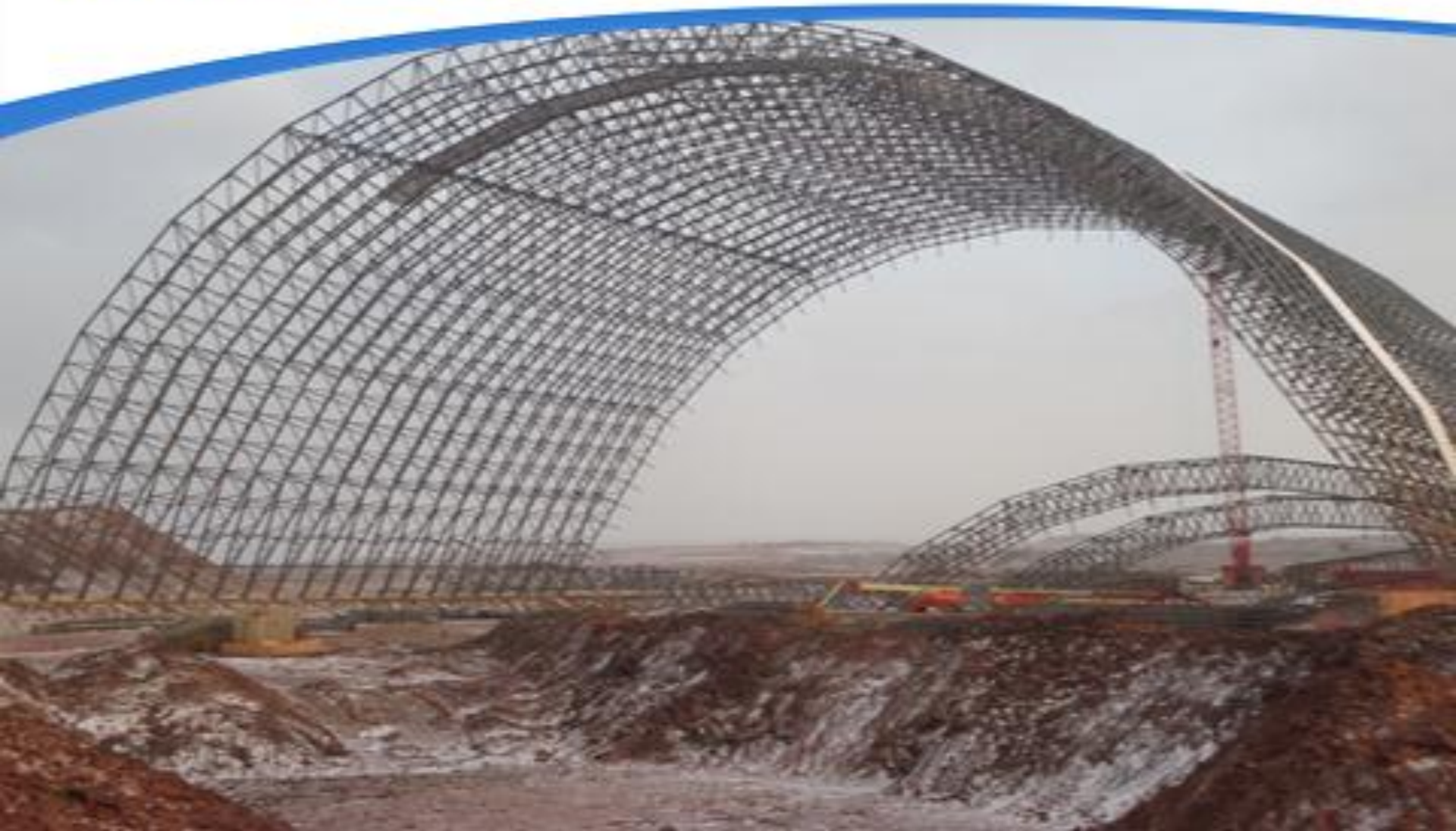


Estimated by the Economic Research Unit, JPC

# Tata Steel India : Current and future growth plans







- TSMC is a joint venture company established in October 2010 by Tata Steel and New Millennium Capital Corp. (“NML”), now known as New Millennium Iron. Tata Steel owns 80% of the JVC and NML the remaining 20%.
- TSMC is developing a Direct Shipping Ore (DSO) Project in the provinces of Quebec and Newfoundland & Labrador.
- The DSO property comprises 25 hematite deposits with a resource potential of 125 million tonnes.
- The project comprises mining and concentrating the run-of-mine ore with a state-of-art beneficiation facility to produce 4.2 million tonnes per year of sinter and super fines with iron content greater than 64.5%. Additional production of 1.8 MTPA through dry processing.
- TSMC is also conducting a Feasibility Study on behalf of Tata Steel for Taconite Project jointly with NML.
- Investment of over C\$ 600 million.

# PROJECT LOCATION



**TATA STEEL MINERALS CANADA LIMITED**

# TACONITE PROJECT FEASIBILITY STUDY

- Tata Steel and NML sign binding agreement in March 2011 for Feasibility Study of Taconite Project.
- LabMag and KéMag deposits being evaluated.
- Joint Feasibility Study underway and completion targeted by mid 2013.
- Feasibility Study budget of \$50 million.
- Potential to be one of the lowest-cost pellet producers in North America.
- Subject to the outcome of the Feasibility Study, Tata Steel will make an investment decision.



LabMag	Billion Tonnes	Grade (Fe%)
Proven + Probable	3.5	29.6
Measured + Indicated	1.0	29.5
Inferred	1.1	29.3

KeMag	Billion Tonnes	Grade (Fe%)
Proven + Probable	2.1	31.2
Measured + Indicated	0.3	31.2
Inferred	1.0	31.2

# TATA STEEL INVESTMENT IN QUEBEC & NEWFOUNDLAND



## FACTORS IN FAVOUR

- ✓ Large untapped potential in Canada
- ✓ Culture of mining, availability of critical skills
- ✓ **“Certainty of outcome”**
  - ✓ Transparent regulation
  - ✓ Political stability & continuity of policy
- ✓ Availability of infrastructure
- ✓ **“Potential for long term competitiveness”**
- ✓ Reliable and knowledgeable partner



## FACTORS TO WATCH OUT

- ✓ Price the only criteria for competition.
- ✓ Logistics cost.
- ✓ Decisive and cohesive approach towards creating new infrastructure.
- ✓ Government support for creation of enabling infrastructure.
- ✓ Speed of environmental and other regulatory clearances. (Similar to India).
- ✓ Continuity of policy for business. (Similar to India)
- ✓ Aligning aspirations of First Nation Communities.(Our experience of Inclusiveness in India is helpful in Canada).

# THANK YOU

Email: [chanakya@tatasteel.com](mailto:chanakya@tatasteel.com)  
Website: [www.tatasteel.com](http://www.tatasteel.com)