

TATA CHEMICALS LIMITED



H1 FY2005 Financial Results

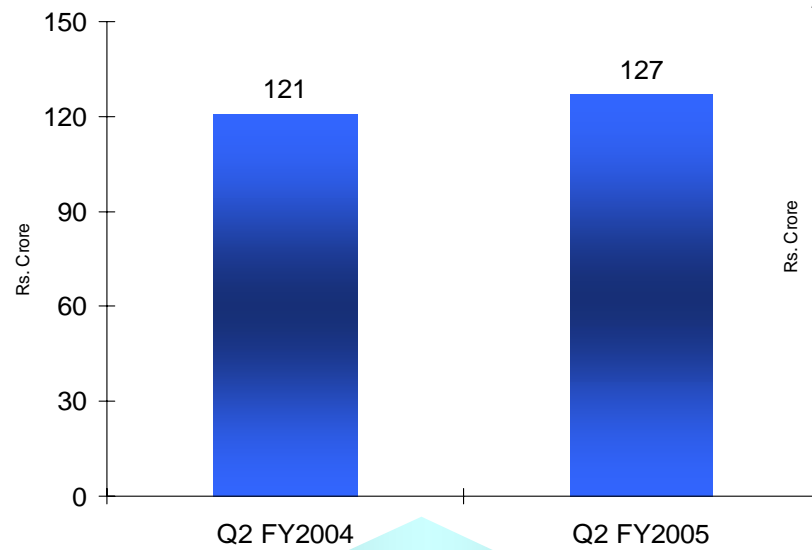
October 19, 2004

Overview

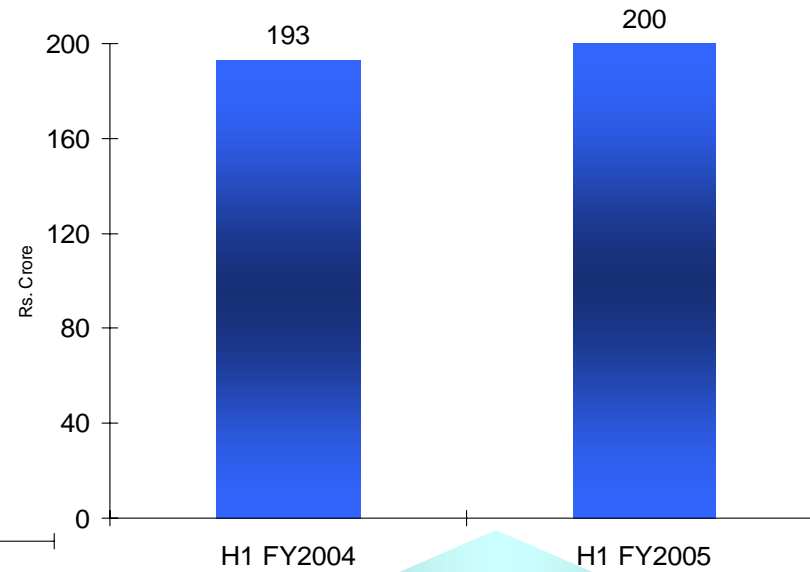


- **Healthy improvement in PBT and PAT both on a quarterly and half yearly basis**
- **Performance achieved in a challenging environment**
 - **Continuing firm prices of coke and ammonia – key inputs in the manufacture of soda ash and DAP respectively**
 - **Tight raw material supplies**
 - **Transport and contactor strike partially impacting production and sales at Mithapur**
- **Fertiliser demand during Kharif registers 7% growth over previous year**
- **Tata Salt marketshare: 40.5%**
- **Tata Salt recognized as a ‘Superbrand’**
- **ICRA reaffirms LAA++ rating**

Q2 FY 2005



H1 FY 2005

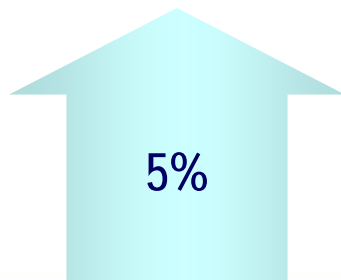
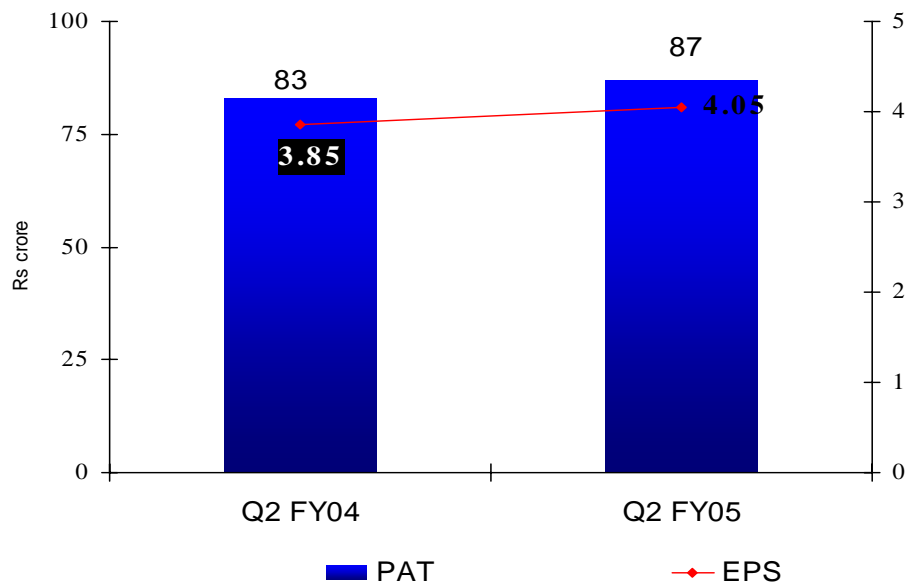


Alterations in input mix, enhanced efficiencies improve PBT

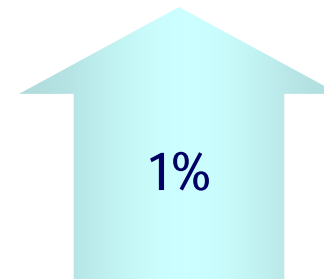
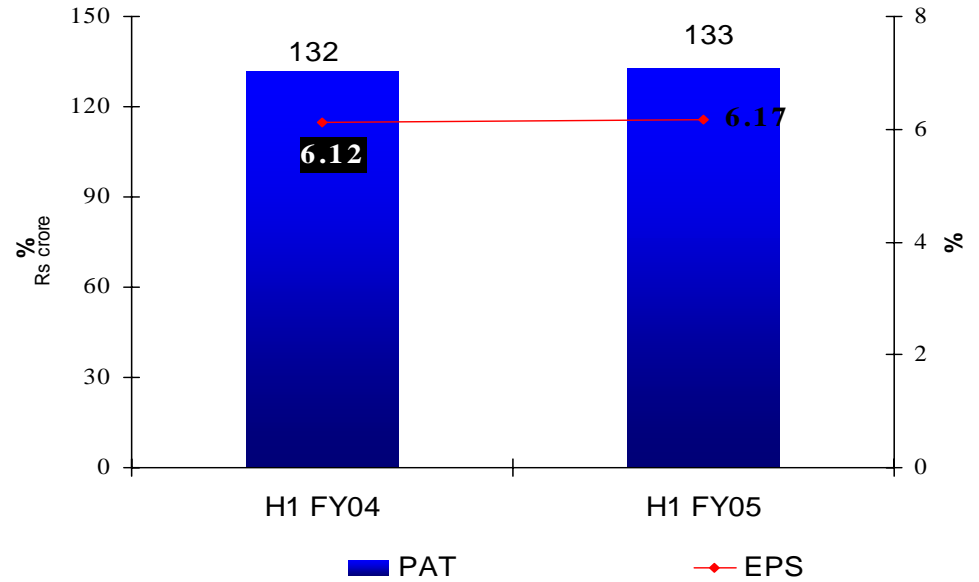
PAT



Q2 FY 2005



H1 FY 2005



- **Segmental highlights**

Inorganic chemicals – Soda Ash

Sector outlook

- Domestic market expands 3.7%
- Industry impacted by spiralling coke prices
- Increase in import volumes

Tata Chemicals performance

- Market leadership sustained
- Alterations in input mix enhance operations, combat high input costs
- Sustains high capacity utilisation levels (87%)
- Continuation of strong export performance, export volumes : 64,000 MT

Inorganic chemicals – Food additives



Sector outlook

- Increased demand for edible salt across the country

Tata Chemicals performance

- Tata Salt maintains market leadership, Marketshare: 40.5% in July – August 2004
- Strong increase in dealer penetration levels
- Tata Salt recognised as a 'Superbrand'

Fertiliser - Urea



Sector outlook

- Strong monsoon increasing demand and driving fertiliser sales
- Group Pricing Policy expected to reward efficient manufacturers

Tata Chemicals performance

- Healthy 10% improvement in sales volumes compared to corresponding six months last year
- Babrala plant continues to be the most efficient in the country

Fertiliser - DAP



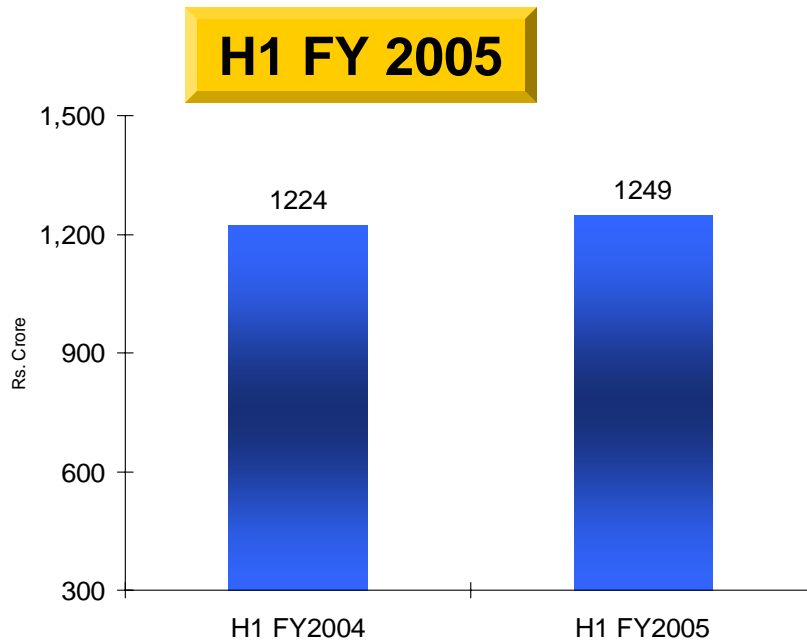
Sector outlook

- High ammonia prices impacts operations across industry
- Negotiated phosphoric acid prices ratified by the Government

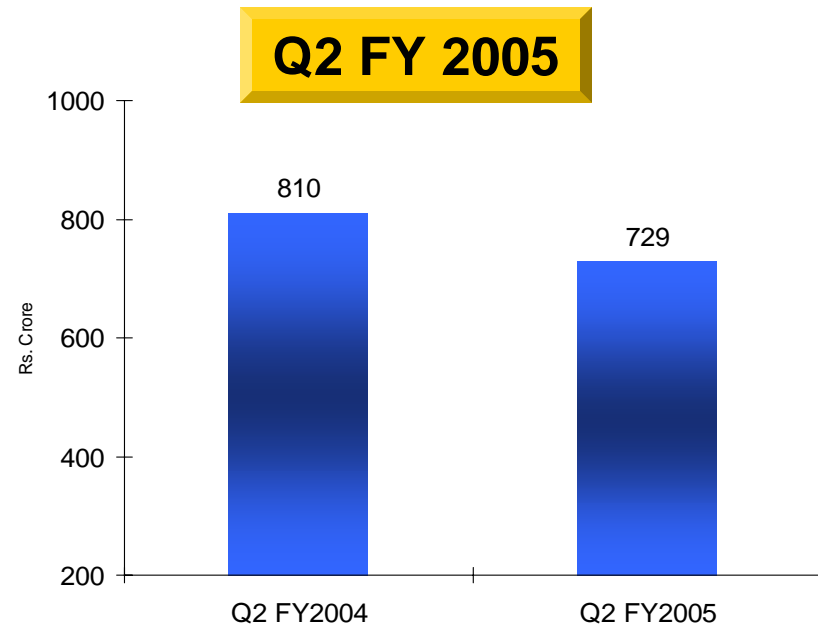
Tata Chemicals performance

- Limited availability of raw materials results in decline in volumes
- H1 FY2005 sales volumes: 209,000 MT

Revenue perspective



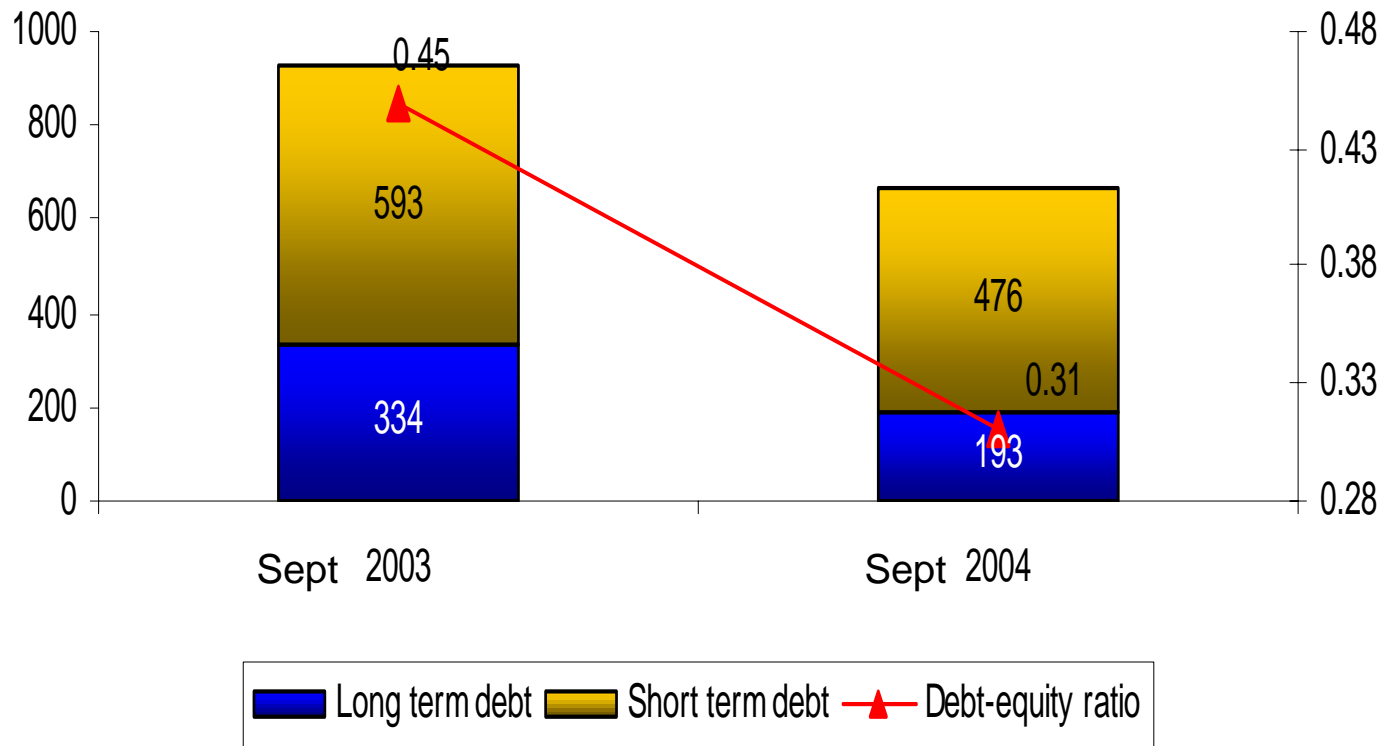
2%



10%

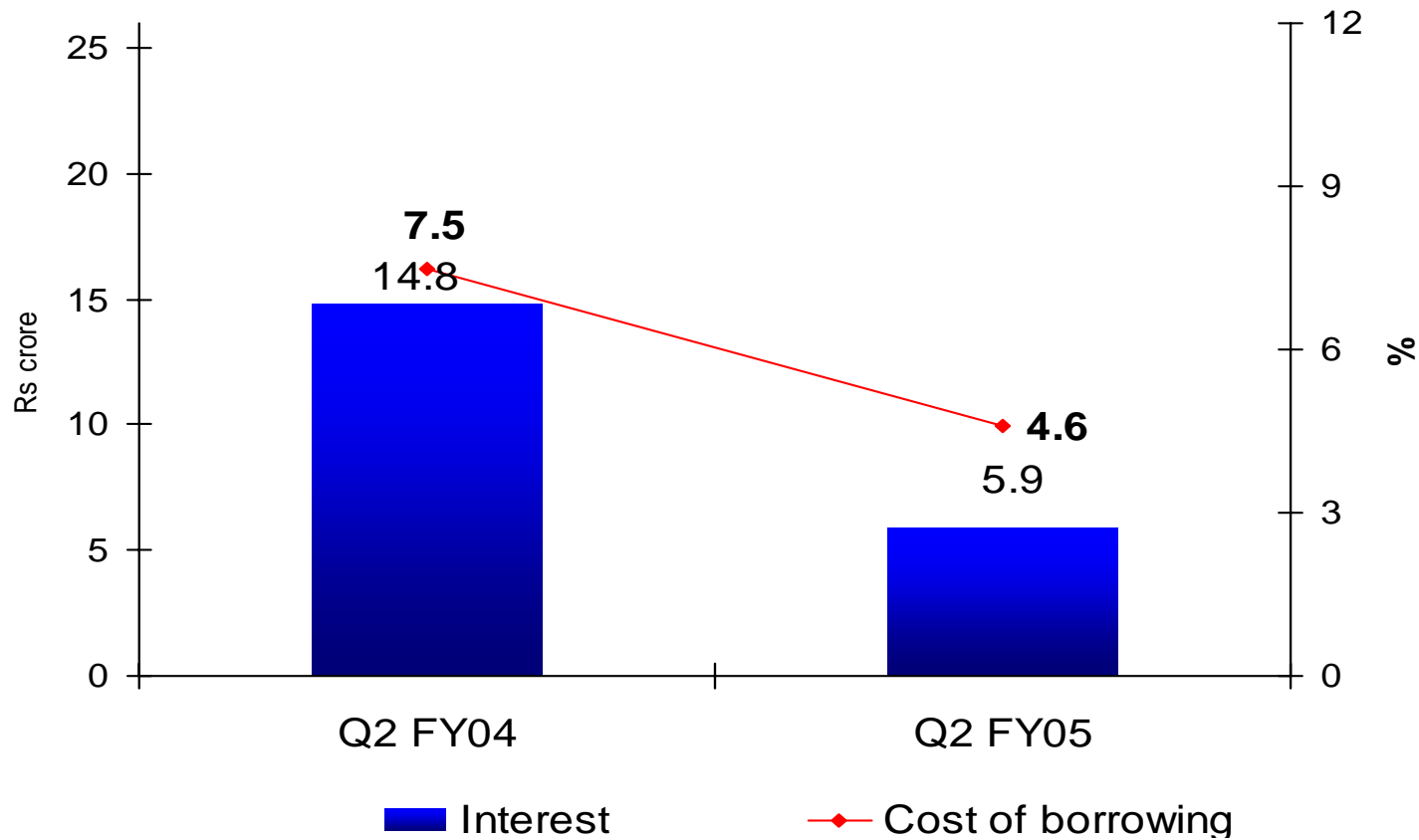
Q2 revenues impacted by tight raw material supply and transport strike

Financial Management



Almost debt free status, 70% of debt is short term suppliers credit

...Financial Management



Interest costs 60% lower than amount incurred in Q2 FY 2004

- **Chemicals**

- **Sales shortfall expected to be made up in H2 FY2005**
- **Continuing firm input prices may temper margins**

- **Fertiliser**

- **Urea and DAP demand strong for forthcoming Rabi season**

Continued efficiency enhancement and aggressive marketing and distribution thrust