

Review of European Portfolio of Tata Steel

Mumbai, March 29, 2016: The Tata Steel Board today reviewed the recent performance of the European business of the Company, more specifically, of Tata Steel UK. It noted with deep concern the deteriorating financial performance of the UK subsidiary in the last twelve months. While the global steel demand, especially in developed markets like Europe has remained muted following the financial crisis of 2008, trading conditions in the UK and Europe have rapidly deteriorated more recently, due to structural factors including global oversupply of steel, significant increase in third country exports into Europe, high manufacturing costs, continued weakness in domestic market demand in steel and a volatile currency. These factors are likely to continue into the future and have significantly impacted the long term competitive position of the UK operations in spite of several initiatives undertaken by the management and the workers of the business in recent years. Even under these adverse market conditions, the Tata Steel Group has extended substantial financial support to the UK business and suffered asset impairment of more than £ 2 billion in the last 5 years.

The Tata Steel Board also reviewed the proposed restructuring and transformation plan for Strip Products UK, prepared by the European subsidiary in consultation with an independent and internationally reputed consultancy firm. Based on the review conducted, the Tata Steel Board came to a unanimous conclusion that the Plan is unaffordable, requires material funding support in the next two years in addition to significant capital commitments over the long term, the assumptions behind it are inherently very risky, and its likelihood of delivery is highly uncertain. Therefore, the Board concluded that it would not be able to support the investment necessary to proceed with the proposed Strip Products UK Transformation plan.

The Company has also been in deep engagement with the UK Government in recent months seeking its support to achieve the best possible outcome for the UK business, within the restrictions of State Aid Rules and other statutory limits. These discussions are ongoing and will continue. Discussions will also continue with Greybull in relation to a sale of the UK Long Products business. The UK Government is also involved in the latter discussions.

Following the strategic view taken by the Tata Steel Board regarding the UK business, it has advised the Board of its European holding company i.e. Tata Steel Europe, to explore all options for portfolio restructuring including the potential divestment of Tata Steel UK, in whole or in parts. Given the severity of the funding requirement in the foreseeable future, the Tata Steel Europe Board will be advised to evaluate and implement the most feasible option in a time bound manner.

TATA STEEL LIMITED
(PARVATHEESAM. K.)
COMPANY SECRETARY**TATA STEEL LIMITED**

Registered Office Bombay House 24 Homi Mody Street Fort Mumbai 400 001 India
Tel 91 22 6665 8282 Fax 91 22 66657724
Corporate Identity Number L27100MH1907PLC000260 Website www.tatasteel.com

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. 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\$ 22.32 billion in FY 2015, has over 80,000 employees across five continents.

Disclaimer

The document contains statements that may constitute as forward looking statements under applicable securities laws and regulations. These statements are based on the current expectations and certain assumptions of Company's management, of which many may not be under our control and that actual event/transaction may vary from the proposal. The Company neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

*For Investor enquiries contact***Samita Shah**

Tel: +91 22 6665 7307

email: samita.shah@tatasteel.com**Devang Shah**

Tel: +91 22 6665 0530

email: devang.shah@tatasteel.com*For media enquiries contact***Kulvin Suri**

Tel: +91 657 664 5512/+91 92310 52397

email: kulvinsuri@tatasteel.com**Rob Simpson**

Tel: +44 (0) 207 717 4404

email: rob.simpson@tatasteel.com**TATA STEEL LIMITED****(PARVATHEESAM. K.)
COMPANY SECRETARY**