



November 18, 2019

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Maharashtra, India.
Scrip Code: **500470/890144**

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.
Maharashtra, India.
Symbol: **TATASTEEL/TATASTEELPP**

Dear Madam, Sirs,

Sub: Press Release

Please find enclosed the press release titled “**Tata Steel outlines proposals for transformation programme to build a stronger and more sustainable business in Europe**”.

This disclosure is being made in compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking you.

Yours faithfully,
Tata Steel Limited

A handwritten signature in black ink, appearing to read 'Parvatheesam'.

Parvatheesam Kanchinadham
Company Secretary &
Chief Legal Officer (Corporate & Compliance)

Encl: As above

TATA STEEL LIMITED

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Corporate Identity Number L27100MH1907PLC000260

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Tata Steel outlines proposals for transformation programme to build a stronger and more sustainable business in Europe

Tata Steel today (*Monday, 18 November*) outlined proposals for a transformation programme in Europe. The programme is needed to ensure the business can thrive despite severe market headwinds which have led to a sharp decline in profitability. At the same time, it aims to secure the foundation for investments required to accelerate innovation and the company's journey towards carbon-neutral steelmaking.

Tata Steel highlighted plans to urgently improve its financial performance to make sure the European business becomes self-sustaining and cash positive, while enabling investment to safeguard its long-term future. The plans include a proposed new way of working to boost productivity and reduce bureaucracy as well as a focus on increasing sales of higher-value steel products and solutions.

Henrik Adam, CEO of Tata Steel in Europe, said: "Today we are highlighting important proposals towards building a financially strong and sustainable European business. We plan to change how we work together to enable better cooperation and faster decision-making. This will help us become self-sustaining and cash positive in the face of unprecedented severe market conditions, enabling us to lead the way towards a carbon-neutral future."

The programme is focused on four areas to improve financial performance:

- Increasing sales of higher-value steels by improving product mix and customer focus;
- Efficiency gains by optimising production processes, supported by the application of big data and advanced analytics;
- Lowering employment costs, leading to an estimated reduction in employee numbers of up to 3,000 across Tata Steel Europe's operations, about two-thirds of which are expected to be office-based ('white collar') roles;

- Reduction of procurement costs through smarter sourcing and strengthening cooperation with companies within the Tata Steel group.

Through its proposed transformation programme, Tata Steel Europe is initially targeting a positive cash flow by the end of its financial year ending March 2021. It is also aiming for an EBITDA margin of around 10% throughout the market cycle. Based on full year 2019 revenue figures, this would equate to £750 million in EBITDA. With improved earnings and cash flows, Tata Steel Europe will be a financially self-sustaining business able to invest in asset reliability and improvements while also servicing its financial obligations to its lenders and shareholders.

A transformation is needed to mitigate the current structural and cyclical headwinds and create the foundation for the company's future success. Stagnant EU steel demand and global overcapacity have been compounded by trade conflicts which have turned the European market into a dumping ground for the world's excess steel capacity. Together with a significant increase in the cost of emission allowances, this has created an urgent need for improvements to the company's financial performance.

In the first six months of its current financial year (starting April 2019), Tata Steel Europe reported a drop of 90% in EBITDA to £31 million. Revenue was £3.25 billion.

Tata Steel Europe will engage with various stakeholders to ensure compliance with all European and national obligations.

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About Tata Steel's European operations

Tata Steel is one of Europe's leading steel producers, with steelmaking in the Netherlands and the UK, and manufacturing plants across Europe. The company supplies high-quality steel products to the most demanding markets, including construction and infrastructure, automotive, packaging and engineering. Tata Steel works with customers to develop new steel products which give them a competitive edge. The Tata Steel group is among the top global steel companies with an annual crude steel capacity of 33 million tonnes. It is one of the world's most geographically-diversified steel producers, with operations and a commercial presence across the world.

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