



December 7, 2016

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

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

Dear Sirs/Madam,

Sub: Press Release

Please find enclosed the press release titled "Tata Steel UK reaches agreement with the trade unions to progress towards the closure of its defined benefit pension scheme to future accrual and take important steps towards a more sustainable future".

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

This is for your information and records.

Yours faithfully,
Tata Steel Limited

Parvatheesam K
Company Secretary

Encl: As above

TATA STEEL LIMITED

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Corporate Identity Number L27100MH1907PLC000260

7 December 2016

Tata Steel UK reaches agreement with the trade unions to progress towards the closure of its defined benefit pension scheme to future accrual and take important steps towards a more sustainable future

Tata Steel UK today reached an agreement with trade unions on a number of proposals that would structurally reduce risks and help secure a more sustainable future for its UK business.

The company will next week start consultation with its employees on a proposal to close the British Steel Pension Scheme to future accrual. Employees would be offered a competitive defined contribution scheme.

The proposal on pensions and other changes in the employment terms are part of the ongoing transformation plan that the business is undertaking. As part of today's agreement all parties will work towards making Tata Steel UK a sustainable business.

The company and trade unions have also agreed on the principle that subject to the structural de-risking and de-linking of the British Steel Pension Scheme fund from the business, Tata Steel UK will continue the existing blast furnace configuration in Port Talbot until 2021.

Further, based on achieving the necessary financial performance and cash flows as per the transformation plan of the UK business, the company will continue to invest across the UK sites to enhance the competitive position of Tata Steel UK in the European steel industry. The company has also offered an employment pact until 2021 which supports employees through future changes by investing in their skills to support further plant upgrades, automation and other digital initiatives.

Koushik Chatterjee, Group Executive Director Tata Steel and Executive Director for its European business said: "The agreement between Tata Steel UK and the unions today marks an important step forward in the journey to develop a sustainable future for our UK steel business. These are unprecedented times for the steel industry globally with multiple risks

including global economic uncertainty, slow manufacturing growth and currency volatility which continues to present significant challenges to the business.

“The delivery of Tata Steel UK’s transformation plan and generation of free cash flows will be the key enabler for the future sustainability of the business and we are very encouraged by the early signs of the delivery of the plan. There is much more work to be done to make Tata Steel UK more financially sustainable, but I am confident that all stakeholders will do all they can to try to ensure that the company will be able to achieve its plan in the coming months and years. The proposed changes to future pension provision and other employment terms are necessary to de-risk the company and help achieve long-term sustainability. We are also working separately on a necessary structural solution for the British Steel Pension Scheme fund. The trade unions and the company have worked hard to reach today’s agreement and I would like to thank them for their efforts and seek their continued support in the future. We look to other stakeholders such as the UK Government to play their part in addressing the UK’s manufacturing competitiveness position especially with relation to energy prices.”

He continued: “Tata Steel UK has developed a long-term investment plan to make the business more competitive in the future. The delivery of the transformation plan in the next couple of years, combined with a structural solution for the British Steel Pension Scheme fund, is essential to provide the affordability and financial self-sufficiency for future investments and also service its financial obligation to its stakeholders.”

Tata Steel is the UK’s largest steel manufacturer. It supplies almost 50% of UK carmakers’ steel requirements, including body panels and chassis, and a range of advanced steels for the UK construction industry which help to reduce buildings’ energy use.

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