May 10, 2019

Mr. Akshay Pandit
Deputy Manager, Surveillance
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 Sir,

Re: News Clarification

This has reference to your letter No. NSE/CM/Surveillance/8184 dated May 10, 2019 seeking clarification on the news article dated today "Thyssenkrupp expects its joint venture with Tata Steel to fail" published online on www.moneycontrol.com

In this connection, please find below our response:

The European Commission today discussed the proposed joint venture between thyssenkrupp and Tata Steel. The feedback of the Commission has been disseminated by the Company to the Stock Exchanges. Please find enclosed a copy of the press release for reference.

Thanking you.

Yours faithfully,
Tata Steel Limited

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

Encl: As above

TATA STEEL

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PRESS RELEASE

Mumbai, May 10, 2019

Feedback from European Commission ("the Commission") on the proposed steel joint venture between thyssenkrupp and Tata Steel in Europe

Background

Tata Steel and thyssenkrupp had signed definitive agreements on June 30, 2018 combining the steel businesses in Europe to create a 50:50 pan European joint venture company focusing on customer centricity, technology and sustainability.

The Commission today discussed the proposed joint venture with both thyssenkrupp and Tata Steel. Based on the feedback received from the Commission, it is increasingly clear that the Commission is not intending to clear the proposed joint venture as it expects substantial remedies in the form of sale of assets of the proposed venture. Both parties have been in intense engagement with all regulatory authorities and in particular the Commission to seek clearance. Based on the Statement of Objections published by the Commission, a comprehensive package of remedies was offered covering all the areas of concern highlighted by the Commission. The remedies offered were developed considering the overall industrial strategy for the proposed joint venture, the integrated and complex nature of the supply chain to service customers and the need to build a sustainable business which would be able to endure the structural challenges faced by the European steel industry. However, the feedback from the Commission based on the market test it has undertaken suggests that it is unlikely to clear the proposal in spite of the significant remedies offered.

Feedback from the European Commission

In the view of thyssenkrupp and Tata Steel, further commitments or improvements to the remedy package would adversely affect the basic foundation of the proposed joint venture and the intended synergies arising from the merger to such an extent that the economic logic of the joint venture would no longer be valid and it's the fundamental sustainability would be severely impacted. Hence both partners are unable to offer any further remedies to the Commission to meet its requirements. Consequently, the partners assume with deep disappointment that the European Commission will not approve the joint venture.

Looking forward

While the proposed joint venture was an important strategic initiative for Tata Steel to create a sustainable portfolio in Europe that would have also helped to de-consolidate the European Business and de-leverage its Balance Sheet, Tata Steel remains committed to the above strategy and would explore all options to achieve similar outcomes in the future. Currently, around two third of the business of Tata Steel is India based with best in class competitiveness and a focused growth strategy. With the commissioning of the 5 million tons per annum Phase 2 of Kalinganagar in the next 30 months with value added product mix, Tata Steel's share of business along with its profitability will increase further. The India business therefore is well positioned to continue to enhance its earnings and cash flow performance levels from that achieved in 2018-19 with extensive market reach, strong brands, differentiated products, enhanced asset base post Kalinganagar expansion and a strong talent pipeline. While pursuing the end state strategy for the European business in the near term, Tata Steel will also continue to focus on its performance management to enhance its earnings and cash flows to build a sustainable and self-sustaining future for the business. Tata Steel has also undertaken significant de-leveraging in the last 6 months and would continue to pursue the same through internal cash generation and asset sales.

About Tata Steel

Tata Steel Group is among the top global steel companies with an annual crude steel capacity of 33 million tonnes per annum (MTPA). It is one of the world's most geographically-diversified steel producers, with operations and commercial presence across the world. The group (excluding SEA operations) recorded a consolidated turnover of US $22.67 billion in the financial year ending March 31, 2019. In 2018, Tata Steel acquired Bhushan Steel Ltd (now renamed as Tata Steel BSL Ltd).

A **Great Place to Work-Certified**™ organisation, Tata Steel Ltd., together with its subsidiaries, associates and joint ventures, is spread across five continents with an employee base of over 65,000.

Tata Steel retained the Industry Leader position in FY18 and ranked second overall in the DJSI assessment, 2017. The Company has been recognised as the Climate Disclosure Leader in 'Steel category' by CDP (2017). Besides being a member of the World Steel Climate Action Programme, Tata Steel has won several awards including the Prime Minister's Trophy for the best performing integrated steel plant for 2016-17, 'Corporate Strategy Award' by Mint (2018), Golden Peacock Award for Risk Management (2018) and Best Risk Management Framework & Systems Award (2019) by CNBC TV18. The Company also received the 'Most Ethical Company' award from Ethisphere Institute for the eight time (2019), Steel Sustainability Champion (2018) by the World Steel Association, Dun & Bradstreet Corporate Awards (2018), Golden Peacock HR Excellence Award by Institute of Directors (2018), 'Best Companies To Work For' recognition by Business Today, 'Asia's Best Integrated Report' award by the Asia Sustainability Reporting Awards (2017), among several others.

In 2018, the Company launched a corporate brand campaign #WeAlsoMakeTomorrow. (www.wealsomaketomorrow.com).

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PRESS RELEASE

Disclaimer

Statements in this press release describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/ or other incidental factors.

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