July 8, 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 announces developments regarding the strategy for its European businesses."

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

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Tata Steel announces developments regarding the strategy for its European businesses

Mumbai, July 8, 2016: The Board of Tata Steel Ltd today announced developments to further progress the strategy of its European businesses.

On 29 March 2016 Tata Steel announced it would explore strategic alternatives for its UK business, including the potential sale of the business as a whole or in parts. The company and its advisers then contacted around 200 potential financial and industrial investors around the world to explore their interest in the business. The company has also deeply engaged with the Governments of the UK and Wales at every stage of the process.

On 9 May, seven expressions of interest were taken forward to the next stage of a possible sale process. The seven companies were given access to extensive business information and management team presentations in order for them to progress their interest and submit refined bids.

Bidders were engaged in detailed discussions with the Tata Steel Europe management. The bids received have been carefully considered in detail on the basis of their commercial value and prospects for the future sustainability of the UK business for a range of stakeholders. The bids have also been reviewed in the light of the uncertainties caused by the UK referendum and the outcome of the UK Government's consultation on the British Steel Pension Scheme.

Taking the above issues into account, the Board of Tata Steel has decided to also look at alternative and more sustainable portfolio solutions for the European businesses. Consequently, Tata Steel has now entered into discussions with strategic players in the steel industry, including thyssenkrupp AG. Discussions have been initiated to explore the feasibility of strategic collaborations through a potential joint venture. However, the talks are currently at a preliminary stage and there can be no certainty of a transaction as the outcome depends on consultation and negotiations with various stakeholders.

Koushik Chatterjee, Group Executive Director and Tata Steel's Executive Director for Europe, said: "We have initiated conversations for a strategic collaboration for our European businesses. A potential strategic combination of strip products businesses offers the best prospects to create a premium, world-class strip steel business with the scale and scope of capabilities to compete successfully on the global stage."

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Mr Chatterjee continued: "It is too early to give any assurances about the success of these talks. Such success, especially the inclusion of the UK business in the potential joint venture, would depend on several issues including finding a suitable outcome for the British Steel Pension Scheme, successful discussions with the UK trade unions and the delivery of policy initiatives and other support from the Governments of the UK and Wales. These are necessary for realizing a sustainable business in the UK. The management team and the employees of the company are also continuing to improve the underlying performance of our European business which is very encouraging. We continue to be actively engaged with both the UK and the Welsh Governments, the trade unions and the Pension Trustees."

Mr Chatterjee further commented: "As part of this development in our European strategy, we will now also begin separate processes for the potential sale of the South Yorkshire-based Specialty Steels business and the Hartlepool pipe mills (other than the 20-inch Tube Mill) in the UK. Both of these operations are largely independent of the strip products supply chain with their own specific characteristics. Tata Steel UK has already received interest from several bidders for Specialty Steels and the pipe mills in each case and a formal process will be commencing shortly."

Hans Fischer, Chief Executive Officer of Tata Steel Europe, commented: "This is a welcome development, not just for Tata Steel but also for the European steel sector more broadly. Although there's much work still to be done on any strategic collaboration I'm confident that the direction is the right one – towards higher performance and capability to serve customers. We will continue to communicate with our employees and inform and consult both works councils and trade unions as these discussions develop."

The Tata Steel Ltd Board today also reviewed the performance of the European business. The Board continues to support the business so that Tata Steel Europe can secure the supply chain to customers of the premium steel products they demand and maintain strong relationships with other stakeholders.

Any further announcement on the matter will be made at an appropriate time in the future.

-ends-

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About Tata Steel's European operations

Tata Steel is one of Europe's leading steel producers, with steelmaking in the UK and Netherlands, and manufacturing plants across Europe. The company supplies high-quality steel products to the most demanding markets, including construction, automotive, packaging, lifting & excavating, energy and aerospace. Tata Steel works with customers to develop new steel products that give them a competitive edge. The combined Tata Steel group is one of the world's largest steel producers, with a steel capacity of more than 28 million tonnes and 75,000 employees across five continents.

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