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**Tata Steel enters into strategic relationship with Labrador Iron Mines, Canada**

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**Mumbai, March 12, 2013** - Tata Steel Limited ("**Tata Steel**") through its subsidiary Tata Steel Minerals Canada Limited ("**TSMC**"), entered into a framework arrangement with Labrador Iron Mines Holdings Limited ("**LIM**") to establish a strategic relationship between TSMC and LIM whereby the two companies have agreed to co-operate with each other in various aspects of their respective iron ore operations in the Labrador Trough.

The Labrador Trough is a 1,100-kilometre long, 160-kilometre wide iron ore bed in the Labrador-Quebec region in Canada. The trough has delivered more than 2 billion tonnes of ore in last 50 years and has attracted mining investments of \$15 billion from leading global companies. It is estimated that the annual iron ore production of this region would increase from current 35 million tonnes to about 65 million tonnes by 2015.

Tata Steel established its presence in this region through an acquisition of 19.9% stake in New Millennium Iron Corporation ("**NML**") in 2008. Tata Steel subsequently increased its stake to 27% in NML and also chose to exercise its option to participate in NML's DSO Project in 2010. Tata Steel holds 80% in the DSO project through TSMC.

TSMC was formed as a joint venture between NML and Tata Steel to develop the DSO Project. The DSO has 125 million tonnes of resources spread over 25 deposits. While the mine has commenced its production in September'12 and has produced 300,000 tonnes of ore, the construction of the processing plant within a mega-dome is in full-swing. The TSMC facility, when fully commissioned, will be able to roll out 6 mtpa of sinter fines.

LIM and TSMC operate adjacent DSO iron ore projects spread over the Provinces of Newfoundland & Labrador and Quebec. Having plans to potentially utilize the same infrastructure, both companies have decided to work together to exploit the significant scope of synergies in operations and logistics.



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LIM shall transfer 51% interest in the Howse deposit to TSMC. The Howse deposit, is estimated to contain 28 million tonnes of iron ore resources. Additionally, the strategic relationship will include multi-part co-operation agreements in areas of logistics and various ancillary mutual support and potential off-take arrangements including development of a rail line that will pass through LIM's rail yard facilities and connect TSMC's processing plant with the main rail line and further exploration of Howse deposit. In consideration of all of the above, LIM shall receive up to C\$ 30 million. TSMC will also transfer its "Timmins 4" deposit having resource of 1.7 million tons to LIM at a consideration of C\$ 3 million recoverable from sales. TSMC also has an option to further increase its ownership of Howse deposit to 70% for a consideration of C\$ 25 million.

Mr. H.M. Nerurkar, MD of Tata Steel stated "Tata Steel's raw material strategy focuses on adding value accretive assets to its portfolio to increase its raw material security. We have large investments in the Labrador Trough area and this transaction with LIM further reinforces our presence in the region. The proposed arrangement with LIM is expected to enhance the raw material security for the group and streamline the logistics of the DSO Project, which is expected to come on stream in 2013".

### **About Tata Steel**

Established in 1907 as Asia's first integrated private sector steel company, Tata Steel Group is among the top-ten global steel companies with an annual crude steel capacity of over 26.5 million tonnes per annum (mtpa). 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\$ 26.13 billion in FY 12, has over 80,000 employees across five continents and is a Fortune 500 company. The Group's vision is to be the world's steel industry benchmark in "Value Creation" and "Corporate Citizenship" through the excellence of its people, its innovative approach and overall conduct. Underpinning this vision is a performance culture committed to aspiration targets, safety and social responsibility, continuous improvement, openness and transparency. In 2008, Tata Steel India became the first integrated steel plant in the world, outside Japan, to be awarded the Deming Application Prize 2008 for excellence in Total Quality Management. In 2012, Tata Steel became the first



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integrated steel company in the world to win the Deming Grand Prize 2012 instituted by the Japanese Union of Scientists and Engineers.

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