

22 December 2015

Tata Steel UK Limited signs Letter of Intent regarding Long Products Europe business

Tata Steel UK Limited (TSUK), an indirect subsidiary company of Tata Steel Europe (TSE), today announced the signing of a Letter of Intent with Greybull Capital to enter exclusive negotiations for the potential sale of its Long Products Europe business.

The memorandum covers several UK-based assets including TSUK's Scunthorpe steelworks, mills in Teesside and northern France, an engineering workshop in Workington, a design consultancy in York, and associated distribution facilities. It also includes Scottish mills in Dalzell and Clydebridge which are currently being mothballed.

Karl Koehler, Chief Executive of Tata Steel's European operations, said: "This is an extremely critical time for the whole industry, and we have been working hard to explore all options that could provide a future for the Long Products Europe business.

"We will now move into detailed negotiations with Greybull Capital. It is too early to give any certainty about the potential outcome of these negotiations.

"We will continue to work closely with our trade unions and works councils and will communicate any relevant news to employees on an ongoing basis.

"In the meantime, TSUK and our Long Products Europe business will continue to work closely with customers to deliver high-quality products.

"Accelerating innovation on advanced steel solutions, helping our customers succeed in their markets and creating a sustainable asset base remains our strategic focus.

"TSE has been a hugely supportive investor in the UK steel market, having invested almost £1.5bn in its operations. Our aim is to make our European business globally competitive."

Bimlendra Jha, Executive Chairman of the Long Products Europe business, said: "Today's announcement is the result of the huge effort put in by employees, trade unions and management to seek a future for the Long Products Europe business by creating a turnaround plan.

"The development of this plan, in cooperation with customers, suppliers and government, has enabled us to reach this stage, though much work remains to be done to reach a successful outcome."

About 4,700 people are employed at Long Products Europe and its distribution facilities. Tata Steel Europe employs about 30,000 people across Europe, including about 17,000 in the UK.

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For further information:

Tata Steel	Damien Brook	+44(0) 7951 989 490
	Enda Joyce	+44(0) 7980 916 827
	Keri Sutherland	+44(0) 7581 277 970

Greybull Capital	Greg Wood	+44(0) 20 3772 2587 or +44(0) 7990 003 588
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Notes to editors:

TSUK's Long Products Europe business is made up of the following facilities:

- Scunthorpe integrated steelworks, including its mills
- Teesside Beam Mill, Lackenby
- Special Profiles, Skinningrove
- Dalzell Plate Mill
- Clydebridge Quench & Temper Mill
- Hayange Rail Mill, north east France
- Engineering workshop, Workington
- Design consultancy, York
- Associated distribution facilities in the UK

About Tata Steel's European operations:

Tata Steel is Europe's second largest steel producer, 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, rail, 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 80,000 employees across five continents.