



11 February 2011

Dear Customer,

You will no doubt be aware of the challenges facing the steel industry resulting from rapidly rising raw material and other direct and indirect costs. This is a direct consequence of the extraordinary weather conditions in Australia disrupting coal supplies and continuing strong demand for steel which has seen 1.4 bn tonnes produced globally in 2010 with record outputs predicted for 2011, a trend which will further pressure on input costs for the foreseeable future.

For the manufacturing sector, 2010 proved to be a testing year as we balanced increasing demand with available manned capacity, inventory levels and cash. Rising costs coupled with an increasing international demand for engineering steels supports a much needed price increase through the supply chain.

Accordingly, Tata Steel UK will be raising base prices of forging steels by a minimum of £40 per tonne on all deliveries with effect from Monday 4th April.

In addition, we have also completed a review of transport basing rates. An increase of 6% will be applied with effect from Monday, 4 April 2011.

Your Account contact will up-date your price lists to reflect both of these changes and will forward the revised version to you within the next two weeks.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Aidan'.

Aidan Lea
Commercial Manager – Processed Bar

TATA STEEL

Long Products / Processed Bar / Commercial

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