

20 August 2008

Corus announces new initiative for disposal of aluminium smelters

Corus has entered into exclusive negotiations with a new prospective buyer of its aluminium smelters in the Netherlands and Germany.

In December 2007 Corus and AIAC announced the signing of a non-binding Letter of Intent (LoI) for the acquisition of Corus's aluminium smelters by an AIAC affiliate. Following further discussions with AIAC, a decision has been taken not to proceed any further. Corus has informed the Works Council and Trade Unions about this decision.

Corus has started discussions with Klesch & Company Limited, which has been granted a period of exclusivity for due diligence to be carried out. Any eventual Sales and Purchase Agreement that is reached following internal consultation and advice may also be subject to certain external regulatory clearances.

Following the sale of Corus's downstream aluminium extrusions and rolling business to Aleris in August 2006, Corus has been looking at opportunities to secure a future for its aluminium smelters outside the Group. The two smelters are based in Delfzijl in the Netherlands and Voerde in Germany and produce more than 200,000 tonnes of primary metal per annum.

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For further information on Corus please call Bob Jones, Tel: +44 (0)207 717 4532

For further information on Klesch & Company please call A. Gary Klesch, Tel. +44 (0)207 493 4300

Notes

Corus is Europe's second largest steel producer with annual revenues of more than £12 billion and crude steel production of about 20 million tonnes. With main steelmaking operations primarily in the UK and the Netherlands, Corus provides innovative solutions to the construction, automotive, packaging, mechanical engineering and other markets worldwide. Corus is a subsidiary of Tata Steel, the world's sixth largest steel producer. Following the acquisition of

Corus last year, the combined enterprise has an aggregate crude steel capacity of more than 28 million tonnes and approximately 82,700 employees across four continents.

Klesch & Company, founded in 1990 and headquartered in London, England, is an investment group which makes control equity investments across various industries, in particular oil, gas, transportation, electricity, aluminium and other base metals. Associated companies of Klesch & Company own Zeeland Aluminium Company in Vlissingen, the Netherlands, which produces 290,000 tonnes of aluminium metal per annum.

Associated investment interests of Klesch & Company are also currently building a 725,000 tonnes primary aluminium smelter in Libya.