

AUDITOR'S REPORT

To the annual meeting of the

Tata Steel International (Sweden)AB

Corporate identity number 556162-8867

Report on the annual accounts

We have performed an audit of the financial statements of Tata Steel International (Sweden) AB for the financial year 2014-04-01 - 2015-03-31.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation of an annual accounts that gives a true and fair view in accordance with the Swedish Annual Accounts Act and for such internal control as the Board of Directors, determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of accounting estimates made by the Board of Directors and Managing Director as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present in all material respects true and fair view of the of Tata Steel International (Sweden) ABs financial position as on 31 March 2015 and of its financial performance for the year ended in accordance with the Annual Accounts Act. The Statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the Board of Directors and the managing director of Tata Steel International (Sweden) AB for the financial year 2014-04-01 - 2015-03-31.

Board of Directors and the Managing Director responsibility

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As basis for our opinion on the Board of Directors proposed appropriations of the company's profit or loss we examined the

Board of Directors' reasoned statement proposal is 1 is in accordance with the Swedish Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director are liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Göteborg den 25 June 2015

Deloitte AB

Harald Jagner
Authorized Public Accountant

Annual report

For

Tata Steel International (Sweden) AB

556162-8867

Financial year

2014-04-01 -2015-03-31

Certificate of adoption

The Signed board member of Tata Steel International (Sweden) AB certifies that the income statement and the balance sheet in the financial statements have been adopted at the annual general meeting on 25 June 2015. The Annual General Meeting decided to approve the Board of Directors proposal for distribution of profits.

I also certify that the contents of the annual report and the auditor's report are consistent with the originals.

Göteborg on 25 June 2015

Stephan Landes

Tata Steel International (Sweden) AB

Corporate Identity Number 556162-8867 1(11)

The Board of Directors and the Managing Director of Tata Steel International (Sweden) AB hereby submit the annual report for the financial year 2014-04-01-2015-03-31.

Statutory administration report

The annual accounts prepared for the first time in accordance with BFNAR 2012: 1 Annual report and consolidated annual accounts (K3). The transition has been made according to the provisions of K3.

The company, which is founded in 1973, assisting the parent company Tata Steel Nederland International BV in the sale of steel products in Sweden.

Tata Steel International (Sweden) AB has increased its sales volumes to 275 000 tonnes during the financial year. Both prices and margins have remained relatively depressed during 2014 which has been driven by the merger between SSAB and Ruukki.

Ownership

The company is a wholly owned subsidiary of Tata Steel Nederland International BV (Corp. Id No. 1463601), the parent company of the Group is Tata Steel Europe.

Tata Steel Europe is owned by the Indian company Tata Steel since the 2 April 2007, which is part of the Tata Group. Significant events during the financial year Sector model is now fully implemented, thus creating various sectors for the persons who are involved in sales and customer service in the office.

Tata Steel has also chosen to have a regional focus, where three new production plants in the Nordic region have been bought up during the year, of which one of these is located in Halmstad. This is to be able to fully use of the sector classification.

The major projects with cost savings are still in question. Another major focus is on customer satisfaction and most of the projects have been started to increase on reliability, improve the terms of delivery and ensure that our customers will come back.

During the financial year, the number of employees amounted to 11 people. At the end of the calendar year 2014 Lindblad was retired and was replaced by Stefan Landes as Managing director. Significant events after the financial year

Tata Steel's current positions in the market will be affected significantly by the fact that we now own Halmstad Service Center. The intention is to grow in the market to eventually be among the three largest steel producers in the region.

New accounting principles

This is Tata Steel International (Sweden) ABS first annual report prepared in accordance with BFNAR 2012:1, Annual Report ("K3 ").

The company expected future development

We expect to continue to strengthen our positions and the possible creation of a central office to serve the various units in the region. The aim is to agree on a common approach to marketing.

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Risks and uncertainties

The merger of SSAB / Ruukki and their subsequent change in production capacity, combined with the fact that Sweden is a relatively attractive market for imports, means that we are facing a difficult market where local operators will re-position themselves and where even external importers will like to get a foot. We therefore expect that prices and margins will remain under pressure. Tata Steel will try to focus on differentiated products with higher value in order to minimize these risks.

Proposal for Distribution of profits

The Board proposes that the distributable profits to be disposed (SEK):

Retained earnings	6 367 059
Profit for the year	4 259 291
	10 626 350
Allocated to be carried forward	10 626 350

The company's results and other provisions are shown in the following income statement and balance sheet with additional information.

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Income statement	Note	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Net sales	1	810 730	1 314 293
Revenue from commissions		19 678 706	19 461 644
Other operating income	2	66 102	47 426
		20 555 538	20 823 363
Operating expenses			
Merchandise	1	-719 920	-1 198 543
Other external expenses	3 4	-2 985 276	-3 472 327
Personnel expenses	5	-10 908 955	-10 707 307
Depreciation on Intangible assets	6	-299 877	-10 143
Other operating expenses		-20 807	-5 468
		-14 934 835	-15 393 788
Operating income		5 620 703	5 429 575
Profit from financial items			
Other interest income and similar profit items	7	1 157	14 575
Interest expenses and similar items	8	-130 996	-1 122
		-129 839	13 453

Profit after financial items		5 490 864	5 443 028
Profit before tax		5 490 864	5 443 028
Tax on profit for the year	9	-1 231 573	-1 258 756
Profit for the year		4 259 291	4 184 272

Tata Steel International (Sweden) AB

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Balance sheet	Note	2015-03-31	2014-03-31
ASSETS			
Non-current assets			
Property, plant and equipment			
Equipment, Tools and Installations	6	1 464 285	10 143
		1 464 285	10 143
Total non-current assets		1 464 285	10143
Current assets			
Current receivables in Group companies			
Receivables in Group companies		13 165 720	7 644 150
Current tax assets		0	362 990
Other receivables		197 404	110 589
Prepaid expenses and accrued income		536 700	524 342
		13 899 824	8 642 071
Cash and bank balances		1 125 347	1 570 484
Total current assets		15 025 171	10 212 555
TOTAL ASSETS		16 489 456	10 222 698

Tata Steel International (Sweden) AB

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Balance sheet	Note	2015-03-31	2014-03-31
Equity and liabilities			
Equity	10		
Restricted equity			
Share capital (1000 shares)		100 000	100 000
Statutory reserve		20 000	20 000
		120 000	120 000
Unrestricted equity			
Profit or loss brought forward		6 367 059	2 182 787
Profit for the year		4 259 291	4 184 272
		10 626 350	6 367 059
Total equity		10 746 350	6 487 059
Non-current liabilities			
Debt leasing	3	1 170 851	0
Total non-current liabilities		1 170 851	0
Current liabilities			
Trade accounts payable		254 516	257 924
Current tax liabilities		624 707	0
Other liabilities		332 959	373 692
Debt leasing	3	293 434	0
Accrued expenses and prepaid income	11	3 066 639	3 104 023
Total current liabilities		4 572 255	3 735 639
Total equity and liabilities		16 489 456	10 222 698
Pledged assets		None	None
Contingent liabilities		None	None

Tata Steel International (Sweden) AB

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Additional information

Accounting and valuation principles

General information

This annual report was prepared in accordance with the annual accounts Act and BFNAR 2012:1 annual report and consolidated financial statements (K3).

First-Time Adopter (K3)

The annual accounts prepared for the first time in accordance with BFNAR 2012: 1 Annual report and consolidated annual accounts (K3). The transition to K3 has not led to any changes in the Income statement, balance sheet or the notes on the accounts and any effect in the capital is not raised, due to the transition to the K3.

Receivables

Receivables are reported at the amounts expected to be received. Other assets and liabilities are included at cost values unless otherwise specified.

Accrual of revenue and expenditure has been made in accordance with generally accepted accounting principles.

Foreign currencies

Receivables and liabilities in foreign currency are valued at year-end Exchange rates. Transactions in foreign currencies are converted according to the transaction date.

Gains and losses on receivables of operations are reported net among other operating income or other operating expenses.

Revenue recognition

Receivables

Revenue has been measured to the fair value of amount is received or receivable and recognized to the extent is probable that the economic benefits will be available to used by the company and the revenue can be reliably estimated.

Non-current assets

Non-current assets are written off according to plan over the expected useful life taking into consideration with significant residual value. The following depreciation percentage are applied:

Property, plant and equipment	
Equipment	20

Leases

A finance lease is classified by the fact that the economic risks and rewards incidental to ownership of the asset have substantially been transferred to the lessee. Receivable is recognized in the balance sheet on initial recognition. Direct expenditure incurred in connection with the company includes finance leases are distributed over the leasing period. Upon subsequent accounting opportunities allocated the finance income, attributable to the agreement, over the lease period so that a constant return is obtained.

Income taxes

Current taxes

Current tax is calculated on the taxable profit for the period. Taxable profit differs from reported income in the profit and loss account when it has been adjusted for non-taxable income and non-deductible expenses as well as income and expenses that are taxable or deductible in other period. Current tax is calculated using tax rates applicable at the balance sheet date.

Notes

Note 1 Procurement between Group companies

	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
percentage of Procurement	96	85
	96	85

Note 2 other operating income

	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Other income	160	7 032
Sale of cars	46 793	0
Foreign exchange gains	19 149	40 394
	66 102	47 426

Note 3 Financial leases-lessee

This year's lease payments relating to leases, amounted to SEK 0 (524 473 SEK).

According K3 rules, lease of cars are reported as this year's finance leases.

Future lease liabilities, for non-cancelable leases, are all due for payment as follows:

	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Within one year	293 434	0
Later than one year but within five years	1 170 851	0
Later than five years	0	0
	1 464 285	0
Leased assets		
Non-current assets		
Accumulated cost	1 754 019	0
Accumulated depreciation	-289 734	
Closing book value	1 464 285	0

Note 4 fees to Auditors

Audit assignments refers to the statutory audit of the annual accounts and accounting documents as well as the administration by the Board of Directors and the Managing director, This includes other tasks that are incumbent upon the company's auditors as well as advisory services or other assistance as a result of observations during such review work or the completion of such other tasks.

	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Deloitte AB		
Audit assignments	78 996	66 000
	78 996	66 000

Note 5 Employees and personnel expenses		
	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
The average number of employees		
Women	5	5
Men	6	6
	11	11
Salaries and other remuneration plus social insurance contributions, including Pension expenses		
Salaries and other remuneration	6 727 595	6 416 756
Social insurance contributions and Pension expenses	3 612 735	3 614 035
(of which pension expenses)	(1 307 662	1 411 060)
Total Salaries and other remuneration, social insurance contributions and Pension expenses	10 340 330	10 030 791
Gender distribution among senior executives		
Proportion of women in the Board of Directors	33,3 %	33,3 %
Proportion of men in the Board of Directors	66,7 %	66,7 %
Proportion of women among other senior executives	0%	0%
Proportion of men among other senior executives	100%	100 %

Note 6 Equipment and leased cars

	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Opening cost	696 504	696 504
Procurement	1 754 019	
Closing accumulated cost	2 450 523	696 504
Opening depreciation	-686 361	-676 218
Depreciation for the year	-299 877	-10 143
Closing accumulated depreciation	-986 238	-686 361
Closing book value	1 464 285	10 143

According to K3 rules, leased cars should be recorded as a leased assets and depreciation shall be made until the end of lease period.

Note 7 Other interest income and similar items		
	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Interest income from Group companies	0	14 575
Other interest income	1 157	0
	1 157	14 575

Note 8 Interest expenses and similar items		
	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Interest on leased assets	130 498	0
Other interest expense	498	1 122
	130 996	1 122

Note 9 Tax on profit for the year

	2014-04-01 -2015-03-31	2013-04-01 -2014-03-31
Current taxes	-1 231 573	-1 258 756
Tax on profit for the year	-1 231 573	-1 258 756
Reconciliation of taxes on income		
Reported profit before tax	5 490 864	5 443 028
Taxes calculated with tax rates (22%)	-1 207 990	-1 197 466
Tax effect of non-deductible expenses	-23 837	-61 290
Tax effect of non-taxable income	254	0
Reported tax expense of the year	-1 231 573	-1 258 756

Note 10 Changes in equity capital, previous years

	Share Capital	Statutory reserve	Retained earnings	Profit for the year
Opening balance according to the adopted balance sheet at the date of transition to BFNAR 2012:1	100 000	20 000	2 182 786	4 184 272
Opening balance after adjustment for the transition to BFNAR 2012: 1	100 000	20 000	2 182 786	4 184 272
Allocation of earnings decision by annual general meeting of the year			4 184 272	-4 184 272
Profit for the year				4 259 291
Balance at end of year	100 000	20 000	6 367 058	4 259 291

Share capital 1 000 shares of the par value 100 SEK.

Note 11 Accrued expenses and prepaid income

	2015-03-31	2014-03-31
Special payroll tax	638 189	641 411
Accrued salaries	927 507	852 177
Accrued vacation pay	824 710	957 215
Accrued social insurance contributions, vacation pay, bonus	550 547	568 511
Other accrued liabilities	125 684	84 710
	3 066 637	3 104 024

Göteborg 2015-06-25

Tom Russell
Chairman

Raimo Järvelä

Stephan Landesz
Board of Director

Our Auditor's Report was submitted on 25 June, 2015

Deloitte AB

Harald Jagner,
Authorized Public Accountant

These accounts are a translated version for information purpose only, the original language version prevails in the event of any discrepancies between the English translation and the original.