

Eric Olsson & Soner Forvaltnings AB

Management Report

Ownership

The company is a wholly-owned subsidiary to British Steel Nederland International BV (80664) with its head office in IJmuiden, Holland. British Steel Nederland International BV is a part of the Tata Steel Group with his head office in India.

Group Structure

The company is the parent company in a group with the wholly-owned subsidiaries Tata Steel Sweden Byggsystem

AB (556393-0881), whose activities include the manufacture and sales of sheet metal and steel joists, and Skruv Erik AB (556531-1932), whose activities include trading with screws. Since 2007, the Group is part of the Tata Steel Group with its head office in India.

From an organisational perspective, Erik Olsson & Söner Förvaltnings AB is a part of Tata Steel Nordic with its head office in Ebeltorft, Denmark.

Information about activities

The company is a holding company and has not conducted any operations during the financial year.

Important conditions and significant events

The negative result is attributable to the fact that write-downs of MSEK 3.5 have been made in the shares of the subsidiary Tata Steel Sweden Byggsystem AB

Multi-Year Comparison

Summary of the company's economic development:

		2015/16	2014/15	2013/14	2012/13	2011/12
Net sales	KSEK	0	0	0	0	0
Results after financial items	KSEK	-3,463	43	22	20	14
Balance sheet total	KSEK	206	4,720	4,682	4,644	4,644
Number of employees	no.	0	0	0	0	0
Equity ratio	%	82.0	99.0	99.0	99.0	99.0

Key ratio definitions indicated in note 1.

Proposal for appropriation of profits

The following profits are available to the Annual General Meeting:

Profit brought forward		4,553,663
Profit for year		-4,504,700
The Board proposes that profits be distributed so that	SEK	<u>48,963</u>
they are carried forward		48,963
	SEK	<u>48,963</u>

The proposed appropriation of profits and group contribution to subsidiary amounting to MSEK 1.042 means that the equity ratio amounts to 82 percent. Based the company's activities, the equity ratio is

dormant and satisfactory. It is expected that liquidity in the company can be maintained at the same satisfactory level.

The opinion of the Board is that the proposed dividend will not prevent the company from fulfilling its obligations both in the short and long term, or from implementing necessary investments. Thus, the proposed dividend can be defended with regard to what is stated in Chapter 3, Sections 2-3 of the Companies Act (Prudence Rule).

Income statement	Note	01.04.2015 - 03.31.2016	01.04.2014 -03.31.2015
Net sales		-	-
Administration costs	2	<u>-1,250</u>	-
Operating profit		-1,250	0
Operating profit	2	-1,250	
Result after financial items			
Result from shares in group company	3	-3,500,000	
Other interest income and similar income statement items		38,743	43,144
Interest income and similar income statement items		-193	-52
Total result after financial items		-3,461,450	43,092
Results after financial items		-3,462,700	43,092
Appropriations		-1,042,000	
Tax on result for year	6	-	-8,530
Result for year		<u>-4,504,700</u>	<u>34,562</u>
Balance sheet	Note	31.03.2016	31.03.2015
Assets			
Fixed assets			
<u>Financial fixed assets</u>			
Shares in group companies	4	100,000	3,600,000
Receivables from group companies		443	937,506
		100,443	4,537,506
Total fixed assets		100,443	4,537,506

Current assets

Current receivables

Receivables from group companies 66,194

Other current receivables 4,120 485

4,120 66,679

Cash and bank account

101,424 115,809

Total current assets

105,544 182,488

Total assets

205,987 4,719,994

Balance sheet

31.03.2016 31.03.2015

Equity and liabilities

Equity

5

Restricted equity

Share capital (1,000 units) 100,000 100,000

Statutory reserve 20,000 20,000

120,000 120,000

Non-restricted equity

Surplus brought forward 4,553,663 4,519,101

Result for year -4,504,700 34,562

48,963 4,553,663

Total equity

168,963 4,673,663

Current liabilities

Liabilities to group companies 31,993 31,993

Current tax liabilities 5,031 14,338

Total current liabilities

37,024 46,331

Total equity and liabilities

205,987 4,719,994

Security provided

None None

Contingent liabilities

None None

Notes

Note 1 Accounting and valuation principles

Erik Olsson & Söner Förvaltnings AB's Annual Report and Consolidated Accounts have been established in accordance with the Companies Act and the General Guidelines of Swedish Accounting Standards Board BFNAR 2012:1 Annual and Consolidated Accounts (K3).

The Accounting Principles are unchanged when compared to those of last year.

Consolidated Accounts

The parent company in the group in which Erik Olsson & Söner Förvaltnings AB is a subsidiary and the consolidated accounts are prepared is Tata Steel Europe Limited (05957565) with head office in England and Wales. Erik Olsson & Söner Förvaltnings AB does not need to prepare consolidated accounts in accordance with Chapter 7 of the Companies Act.

Shares and participation in subsidiaries

Shares and participation in subsidiaries are reported according to acquisition value after deductions for any write-downs. The acquisition value includes the purchase price paid for the shares.

Receivables

Receivables are taken up to the amount estimated to be received after an individual assessment.

Income taxes

Current taxes are assessed based on the tax rates and tax rules that apply on the balance sheet date.

Deferred taxes are assessed based on the tax rates and tax rules that are decided before the balance sheet date. Deferred tax liability with respect to temporary differences attributable to investments in subsidiaries is not reported in the consolidated accounts as the parent company can, in all cases, control the time for a reversal of the temporary differences and it is not deemed likely that a reversal will take place within the foreseeable future.

Deferred income tax receivables with respect to carry-forwards or other future tax deductions are reported to the extent it is likely that the deduction can be offset against future taxable profits.

Receivables and liabilities are reported on a net basis only when there is a legal right to offsetting.

Current tax, as well as a change in deferred tax, are reported in the income statement unless the tax is attributable to an event or a transaction that is reported directly in equity. Tax effects of items that are reported directly against Equity are reported against equity.

Due to the connection between accounting and taxation, the deferred tax liability that is attributable to untaxed reserves is not disclosed.

Key ration definitions

Equity ratio

Equity and untaxed reserves (with deduction of deferred tax) in relation to the balance sheet total.

Note 2 Personnel

The company has not had any employees during the financial year and no remunerations to the Board members have been paid.

Note 3 Result from shares in group company

	01.04.2015 -31.03.2016	01.04.2014 -31.03.2015
Write-downs	<u>-3,500,000</u>	-
Total	<u>-3,500,000</u>	0

Note 4 Participations in subsidiaries

Tata Steel Sweden Byggsystem AB	CIN	Head Office	Equity
Skruv Erik AB	556393-0881	Halmstad	SEK -1,888,110
	556531-1932	Halmstad	SEK 684,633

	Capital share%	Voting rights%	Book value	No. of shares
Tata Steel Sweden Byggsystem AB	100	100		5,000
Skruv Erik AB	100	100	100,000	1,000
Total			100,000	

Note 5 Change in equity

	Share capital	Statutory reserve	Non-restricted equity	Total equity
Opening equity	100,000	20,000	4,553,663	4,673,663
Result for year			-4,504,700	-4,504,700
Closing equity	100,000	20,000	48,963	166,963

Note 6 Tax on result for year

	01.04.2015 -31.03.2016	01.04.2014 -31.03.2015
Current tax		-8,530
Tax on result for year	-	-8,530
Reported profit before tax	-4,504,700	43,092
Tax calculated according to applicable tax rate (22%)	991,034	-9,480
Tax effect of non-deductible costs	-770,000	-
Tax attributable to previous year's reported profit		950
Non-booked up tax asset relating to loss	-221,034	-
Reported tax cost	0	-8,530
Unused tax loss	-1,004,700	-

Halmstad ____ .06.2016

Willem Faas
Board member

Nilkas Hägerklingt
Chairman

Our audit report was submitted on ____ .06.2016

Deloitte AB
Harald Jagner
Certified 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.