

TATA STEEL FRANCE RAIL
Simplified Joint Stock Company

164, rue Foch
57700 Hayange

Auditor's report
concerning the annual financial statements

Financial year ending on 31st March 2015

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Sole partner of,

In accordance with our appointment as Statutory Auditors by your General Meeting, we hereby present our report to you for the financial year ended on 31st March 2015 on:

- the audit of the annual financial statements of TATA STEEL FRANCE RAIL France company, as attached to the present report;
- the justification for our judgements;
- The specific verifications and information provided by the law.

The annual financial statements were approved by the President. It is our duty, on the basis of our audit, to express an opinion on the financial statements.

I. Opinion concerning the annual financial statements

We carried out our audit in accordance with the professional standards applicable in France, which require steps making it possible to obtain a reasonable assurance that the annual financial statements do not include any significant anomalies. An audit consists in examining, by sampling, the decisive elements justifying the amounts and information contained in the said financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We consider that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

TATA STEEL FRANCE RAIL

We certify that the consolidated financial statements are a faithful presentation of the assets, the financial position and the results of all of the companies within the scope of consolidation at the end of this financial year in accordance with French accounting rules and principles.

Without qualifying the opinion expressed above, we draw your attention to the note N 2.2 in annex, which describes the change in accounting policy resulting from the application of the recommendation no. 2013-R.02 of dated 7 November 2013 of the Authority of Accounting Standards.

II. Justification for our assessments

In accordance with the requirements of Article L832-9 of French Commercial Code relating to the justification of our assessments, we draw your attention to the following important points:

As mentioned in the first part of this report note 2.2 of the appendix sets.

The change in accounting policy resulting from the application of no. 2013-R.02 recommendation of dated 7 November 2013 of the Authority of Accounting Standards.

As part of our assessment of accounting rules and principles followed by your Company, we verified the correct application of accounting principles followed by your company; we have verified the correct application of the change in Accounting and presentation method that is made.

Thus the assessments made in this way fall within the framework of our auditing approach to the annual financial statements, taken as a whole, and hence contributed to formation of our opinion without reservations, expressed in the first part of the present report.

III. Specific verifications and information

We have also, in conformity with professional standards applicable in France, made specific verifications required by the laws in force.

We have no comment to make concerning the sincerity and the agreement with the annual accounts of the information provided within the report on the management of the Board of Directors and within the documents addressed to shareholders, concerning the financial situation and the annual accounts.

Neuilly-sur-Seine, date 2nd June 2015
Statutory Auditors
Deloitte & Associés

R J Alex LEGON

Designation: TATA STEEL FRANCE RAIL SAS Duration of the financial year expressed in number of months 12
 Address: 164 Rue Mal Poch 57700 HAYANGE
 SIRET no.: 39157535400017 Duration of the previous financial year: 12

	Gross 1		Depreciation provision 2		Financial year n closed on: 31032015 Net 3	N-1 31032014 Net 4
Subscribed non-paid capital	AA					
INTANGIBLE ASSETS						
Installation cost	AB	124 833	AC	124 833		
Development costs	CX		CQ			
Franchises, patents, and similar rights	AF	7 625 949	AG	7 160 943	465 006	518 093
Goodwill	AH	1 524 490	AI	1524 490		
Other intangible assets	AJ		AK			
Advance and down payment for intangible assets	AL		AM			
TANGIBLE FIXED ASSETS						
Land	AN	2 147 734	AO		2 147 734	2 147 734
Constructions	AP	39 239 556	AQ	20 330 699	18 908 857	19 602 037
Technical installation, industrial equipment and tools	AR	207 192 665	AS	143 711 034	63 481 631	63 941 738
Other tangible fixed assets	AT	3 316 355	TO	2 815 775	500 580	558 304
Assets under construction	AV	494 526	AW		494 526	1 306 362
Advances and deposits	AX	4 200	AY		4 200	4 200
FINANCIAL ASSETS (2)						
Equity interests evaluated on an equity basis	CS		CT			
Other equity interests	SM		CV			
Receivables from participations	BB		BC			
Other fixed investments	BD		BE			
Loans	BF		BG			
Other financial fixed assets			BI		43 096	43 096
	BH	43 096				
TOTAL II	BJ	261 713 404	BK	175 667 774	86 045 630	88 121 564
STOCKS						
Raw materials, procurement supplies	BL	21 939 090	BM	828 683	21 110 407	10 806 631
Work-in progress goods	BN	4 241 337	BO		4 241 337	3 727 810
Work-in progress of services and production	BP		BQ			
Intermediate and finished goods	BR	9 317 432	BS	162 503	9 154 929	14 026 632
Goods	BT		BU			
Advances and prepayments on orders	BV		BW			
RECEIVABLES						
Receivables and related accounts (3)	BX	72 714 926	BY		72 714 926	66 007 588
Other receivables (3)	BZ	22 790 024	CA		22 790 024	2 718 052
	CB		CC			
Subscribed capital called but unpaid	DM		CE			
MISCELLANEOUS						
Investments in transferable securities (including their own shares:)	CF	27 981	CG		27 981	241 112
Assets	CH	1 409 037	CI		1 409 037	781 395
ADJUSTMENT ACCOUNTS - ASSETS						
Expenses paid in advance						
TOTAL (III)	CJ	132 439 827	CK	991 186	131 448 642	98 309 211
Debt issuing expenses which can be allocated to future fiscal year IV	CW					
Bond redemption premium V	CM					
Conversion differences - Assets VI	CN					
GENERAL TOTAL (I to VI)	CO	394 153 231		176 658 960	217 494 272	186 430 775
Returns: (1) lease right N-1		(2) Part-1 year Immo.fin. N-1	CP		(3) Part on + 1 year (CR) N-1	
Clause for the reservation of property Fixed assets:		Stocks :			Debts:	

Designation: Tata Steel France RAIL SAS

None

		Financial year N	Financial year N-1
EQUITY			
Personal or legal capital (including actual payments: 49 586 670)	DA	49 586 670	49 586 670
Premium contribution, issuance, merger	DB	113 023	113 023
Variation of revaluation (including the variation of equivalence)	DC		
Legal reserve (3)	DD	542 809	186 485
Statutory, contractual reserves	OF		
Untaxed reserves (including reserves for the current fluctuation provisions)			
Other reserves (including purchase of the original works by living artists)	DG	92 078	92 078
Statutory, contractual reserves	DH	(2 025 265)	
Untaxed reserves (including reserves for the current fluctuation provisions)			
Other reserves (including purchase of the original works by living artists)	DI	12 472 366	7 126 480
Balance brought forward	DJ		
INCOME OF THE FINANCIAL YEAR (profit or loss)	DK		
Investment grants			
Regulated provisions			
TOTAL I	DL	60 781 680	57 104 736
OTHER EQUITY CAPITALS	DM		
Proceeds from issues of participating securities	DN		
Contingent advances			
TOTAL II	DO		
PROVISIONS FOR RISKS AND CHARGES	DP	1 459 938	1 195 909
Provisions for the risks	DO	25 764 820	12 934 164
Provisions for expenses			
TOTAL III	DR	27 224 758	14 130 073
DEBTS (4)	DS		
Convertible debenture loans	DT		
Other debenture loans	DU	978	45 795
Loans and other borrowings from credit institutions	DV	48 024 814	58 102 665
Sundry borrowings and financial debts (including share borrowings)	DW	10 312 603	4 973 575
Advances and prepayments received on the current orders			
Debts to suppliers and related accounts	DX	13 286 702	29 704 169
Fiscal and social debts			
OTHER DEBTS	DY	13 286 702	12 678 967
Amounts payable on fixed assets and related accounts	DZ	2 783 084	6 377 420
Other debts			
ADJUSTMENT ACCOUNTS - ASSETS	EA	5 718 084	3 313 375
Unearned income	EB	14 167	
TOTAL IV	EC	129 487 833	115 195 966
Conversion differences liabilities V	ED		
GENERAL TOTAL (1 to V)	EE	217 494 272	186 430 775

<i>Regulators</i>	IB	217 494 272	186 430 775
(1) Conversion of revaluation incorporates capital	IC		
- (Special reservation for re-evaluation (1959))	ID		
(2) Free revaluation deviations	IE		
- Reservation for re-evaluation (1976)	EF		
(3) Including special reserve of long-term capital gains	EG	119 175 230	76 206 459
(4) Liabilities and deferred capital gains in the long term			
(5) Including current bank facilities and overdrafts of the bank and CCP	EH	978	8 465

Designation : Tata Steel France RAIL SAS

Sections	France		Export		Financial year N		Financial year N-1
Sale of goods	FA		FB	49 144 614	FC	49 144 614	16 949 959
Production - goods	FD	145 898 768	FE	117 274 064	FF	263 172 832	262 126 764
Production - services	FG	8 895 379	FH		FI	8 895 379	500 980
NET TURNOVER	FJ	154 794 147	FK	166 418 678	FL	321 212 825	279 577 703
Production of inventory stocks					FM	4 525 510	267 728
Capitalised production					FN	1 093	12 293
Subsidies					FO		
Write-back of depreciation and provision, transfer of charges					FP	3 576 721	4 538 280
Other incomes					FQ	142 735	368 057
OPERATING INCOME (2)					FR	320 407 864	284 228 605
Purchases of goods bought for resale (including customs duty)					FS	44 054 059	15 435 943
Change in stocks of goods bought for resale					FT		
Purchases of raw materials and other supplies (incl. customs duty)					FU	166 940 249	161 327 889
Change in stocks of raw materials and other supplies					FV	10 972 718	1 400 875
Purchases and other external charges					FW	54 712 184	52 418 486
Taxes, duties and similar levies					FX	3 637 280	3 220 084
Wages and salaries					FY	20 325 249	19 657 596
Payroll					FZ	8 647 444	8 279 419
OPERATING ALLOWANCE							
On assets: Exceptional depreciation					GA	8 415 765	8 054 461
On assets: depreciation and provisions					GB		
On current asset of depreciations and provisions					GC	868 614	706 661
Allocation to provision					GD	6 769 536	2 876 967
					GE	336 853	59 721
Other expenses							
TOTAL OF OPERATING COSTS (4)					GF	303 734 518	273 438 101
OPERATING INCOME (I - II)					GG	16 673 346	10 790 101
JOINT OPERATIONS					GH		
Profits transferred in or losses transferred out					GI		
Profits transferred out or losses transferred							
FINANCIAL INCOMES					GI		
Financial income from equity interests					GK		
Incomes from the other securities and fixed assets receivables					GL	31 196	171 515
Other interests and similar income					GM		
Write-backs of depreciations, provisions and transferred expenses					GN	5 176	26 599
Deferred positive exchange differences					GO		
Net income from sales of marketable securities							
TOTAL OF THE FINANCIAL INCOMES V					GP	36 372	198 114
Financial depreciation, amortisations and provisions					GQ		
Interests and similar charges					GR	1 343 205	2 328 206
Deferred negative exchange differences					GS	166 445	23 824
Net charges from sales of marketable securities					GT		
FINANCIAL EXPENSES (VI)					GU	1 509 650	2 352 030
2-FINANCIAL INCOME (V – VII)					SG	1 473 278	2 153 915
3-CURRENT INCOME BEFORE TAX ASSESSMENT (I-II+III-IV+V-VII)					GW	15 200 068	8 636 587

Designation of: TATA STEEL FRANCE RAIL SAS

Sections		Financial year N	Financial year N-1
Non-recurring income on management operations	HA	540 046	449 074
Non-recurring income on capital transactions	HB	76 231	52 688
Write-backs of depreciations, provisions and transferred expenses	HC		47 486
TOTAL NON-RECURRING INCOME (7) (VIII)	HD	616 277	549 247
Non-recurring charges on management operations	HE	442 928	484 042
Non-recurring expenses on capital transactions	HF	369 923	294 834
Extraordinary depreciation, amortisations and provisions	HG		
TOTAL OF THE NON-RECURRING EXPENSES (7) (VIII)	HH	812 851	778 876
4. EXTRAORDINARY INCOME (VII - VIII)	HI	196 573	229 629
Employee profit sharing of the company	IX	HJ 180 000	
Profit tax	X	HK 2 351 129	1 280 478
TOTAL OF THE INCOMES (I+III+V+VII)	HL	321 060 513	284 975 965
TOTAL OF THE CHARGES (II + IV + VI + VIII + IX + X)	HM	308 588 147	277 975 965
PROFIT OR LOSS	HN	12 472 366	7 126 480

Regulators	HO		
(1) Including partial net income on long-term operations	HY	85 000	85 000
(2) Including income from the property rental	IG		
Revenues from operations during previous years (8)	HP		
(Including: - Equipment leasing*	HQ		
- Property leasing	IH		
(4) Including Revenues from operations during previous years (8)	IJ		
(5) Includes income from associated companies	IK	2 834	689
(6) Includes interest from associated companies	HX	1 195 793	1 447 874
(6 bis) Donations made to public-interest organisations (article 238 bis of CGI)	A1	1 600	
(9) Including the transfer of the costs	A2	739 434	772 790
(10) Including the personal contribution of the operator (13)	A3		
(11) Fees for patent concessions, licence concessions (Income)	A4		
(12) Fees for patent concessions, licence concessions (expenses)			
(13) Including premiums & er personal contributions supplements: optional A6 mandatory A9		85 799	27 216

Detail reserved in CERFA: An annex is provided for EdiTdfc, or if the number of lines is insufficient		
	Financial year N	
(7) Details of the extraordinary incomes and expenses	Charges	Incomes
	Financial year N	
(8) Details of the incomes and expenses of the previous financial years	Charges	Incomes

TATA STEEL FRANCE RAIL S.A.S.

ANNEX OF THE FINANCIAL 2014 / 2015

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1- HIGHLIGHTS OF THE FINANCIAL YEAR

Operating income amounted to 16 673 k € m improved significantly compared to the previous year.

The financial result was negative at € 1 473 k

Profit before income tax amounted to € 15,003 million compared to 8,407 k € last year.

Taxable income is positive and application of new methods for allocating loss carry forwards in income tax of € 2 351 k was recognized, net of tax credits for research and learning.

Net income for the financial year thus amounts to € 12,472 k.

It is to be noted that Tata Steel Europe, wishing to refocus its strategy on products plates, hired in the fall of 2014 a sales process of long products branch, which includes the company Tata Steel France Rail.

II - PRINCIPLES, ACCOUNTING POLICIES AND METHODS

2.1. Principles

The financial statements presented here are established in accordance with French accounting standards described in the PCG 99 and all regulations that have completed and amended.

The conventions below were applied in adherence to the principle of prudence, according to the basic principles of: the independence of the financial years and in accordance with the general rules for establishing and presenting the annual financial statements.

The basic method selected for evaluation of accounting items is the historical cost method.

The following main methods are used:

2.1.1. Intangible fixed assets

The costs of research and development are not capitalized.

Patents and licenses are recognized as assets when they meet the criteria: identifiable elements to generate future economic benefits, controlled and whose cost is measured with sufficient reliability.

The acquired goodwill is also an intangible asset.

The intangible assets are amortized on the basis of the duration of its use or impaired according to their market value or utility.

2.1.2. Tangible assets

Regulations CRC 04-06, 03-07 and 02-10 respectively relating to the definition, recognition and measurement of assets, components, and amortization and depreciation of fixed assets, are applied.

Property to meet these criteria are recognized as an asset apart from items whose value is less than 500 € excluding taxes and are recognized directly in charge or stored items.

Note that, contrary to the general principle, spare parts whose value is less than 500 € excluding taxes are recognized in fixed assets.

Regarding depreciation and generally, assets are amortized over their expected useful, when, within a given asset, the separable elements of meaningful relative value has a duration of separate utility foreseeable useful life of the asset itself, specific components are defined, the components are depreciated over the useful life of their own.

The main useful lives applied to tangible assets are as follows:

- Constructions industrial and traditional buildings (between 30 and 50 years)
- fixtures and fittings (between 10 and 15 years)
- Technical installations, industrial equipments and tools (steel industry) Between 20 and 30 years
- Technical installations, industrial equipments and tools Between 15 and 20 years
- spare parts Between 2 and 15 years
- Cylinders and roller mill: Between 2 and 15 years
- Other materials (laboratory, computer, furniture ..) between 5 and 15 years

The depreciation method used is straight-line basis except for the cylinders and rollers which tin mill variable damping based on steel consumption during use applies.

The facilities are discarded derecognized and those whose disruption or disposal is determined depreciated to their residual value on that date of the judgment.

Equipment and spare parts associated with these facilities, following the same accounting treatment unless other industrial assignments are considered.

2.1.3. Stocks

Inventories of raw materials and other supplies are valued using the weighted average cost method.

Products in progress and finished goods are valued at cost of production, yield spreads are excluded.

Residuals are stored in the average market value of the last six months before the end of the year.

An impairment loss is recognized if the net realizable value is lower.

In addition, a depreciation method for slow-moving inventories of finished products is performed.

The method which is used as follows:

- Depreciation of 90% of the value of the stock between 3 and 6 months in prison and 100% thereafter, with the minimum disposal value

Potential losses on unfilled orders not yet delivered result in the creation of a provision for contingencies was evaluated by the difference between the net sales price and cost of production standard incorporating the outlook for commodity prices.

2.1.4. Operating receivables and payables

Receivables are stated at nominal value based on terms of sale.

A provision is recognized when the carrying value turns out to be lower than the nominal value.

Receivables and payables in foreign currencies are generally hedged by forward exchange and evaluated, in this case, during guaranteed.

In the context of participation in a cash pool, centralized cash accounts are recorded in "Other receivables" if they are debtors or in "other liabilities" if they are to creditors.

2.1.5. Turnover

The turnovers are recognized upon transfer of ownership of goods sold.

2.1.6. Tax Credit for Competitiveness and Employment

The company applies the accounting provisions of the ANC in its information note of February 28, 2013, relating to the accounting treatment of the Credit of tax competitiveness employment (CICE),

Thus, the IECC is recognised within staff costs.

On March 31, 2015, the IECC recorded within staff costs amounts to 645 k€.

2.1.7. Provisions for the charges Severance and retirement allowances

Commitments for pensions, severance pay and bonuses are accrued.

An evaluation of all the company's liabilities was performed at the end by an independent actuary.

The Collective Agreement Steel, the company agreements and the Convention IRUS (Institution Retirement Usinor - Sacilor) were applied.

The evaluations are based on the prospective method and assumptions used are as follows:

Discount rate	1.17% per year (2.79 % in 2013/2014)
Inflation rate;	1,80 % per year (2.00 in 2013 / 2014)
Wage developments (Change in salaries)	2.00 % per year (2.75 in 2012 / 2014)
Evolution of pensions	1.30 % per annum (equivalent to 2012/2013)
Employer contribution rate	48.90 % (equivalent to 2012/2013)

Age of the retirement

65 years old (executives) - 63 years old (employees) (born after 01/01/1950)
62 years old (executives) - 60 years old (employees) (born before 01/01/1950)

Mortality

Tables prospectives INSEE 2010-12 (2009-11 in 2013/2014)

Mobility

Statistics of the company in recent years

With the exception of the service awards, the actuarial gains and losses related to experience and / or modification of assumptions are amortized to expense over the expected average remaining working lives of employees after applying a corridor 10% of the greater of the benefit obligation and the value of assets coverage.

Gains or losses related to experience and / or changes in assumptions are amortized over the expected average remaining term plans after applying a 10% corridor.

2.1.8. Other items:

No significant events are to be reported.

2.2. Changes in evaluation methods and accounts

- Changing in the accounting methods:

Commitments for pensions, severance pay and bonuses are accrued for the financial year. Evaluated and recognized according to the recommended no. 2013-R-.02 of dated 7 November 2013 of the Accounting Standards Authority.

As part of its first application, the off-balance sheet amounts on March 31, 2014, corresponding to actuarial gains and losses accumulated costs and unamortized past service, were recognized in equity.

An adjustment of retained earnings has been accrued to those previously applied.

- Changes in estimates and detailed rules

No change in evaluation policies has affected the accounts of the company during the year.

- Corrections of errors

No error correction did not affect the accounts of the company during the year.

III - NOTES TO THE BALANCE SHEET

Note 3.1 Permanent assets

Gross values (k€)

	Value gross start of the last financial year)	Increase	Decrease	Value gross End of the last financial year)
Intangible fixed assets	9258	17		9275
Installation cost	125			125
Patent, licenses fees - brands	7 608	17		7 625
Similar processes and values	1 525			1525
Goodwill				
Assets under construction				
Tangible assets	247 622	7 994	3 221	252 395
Land	2 148			2 148
Constructions	38 913	334 ¹	8	39 293
Technical installations, equipments and industrial tools	201 940	7131 ^e	1 878	207 193
Other tangible fixed assets	3 311	39 ³	33	3 317
Assets under construction	1 306	490	1 302	494

Advances and accounts	5			4
Financial assets	43			43
Participations				
Loans	43			43
Other financial fixed assets				
GENERAL TOTAL	256 923	8 011	3 221	261 713

Including commissioning in progress and allocation of advances from the previous financial year:

¹ constructions : 284 k€

² technical facility, equipment, industrial tool: 1,009 k€

³ other intangible assets: 4 k€

Depreciation and amortization (k €)

	Total Start Fiscal year	Increase	Decrease	Total End of the last financial year)
Intangible fixed assets	8740	71		8 811
Installation cost	125			125
Concessions - Patents - licenses, brands, processes it similar values	7 608	71		7 161
Goodwill	1525			1 525
Assets under construction				
Tangible assets	160 061	8 345	1 549	166 857
Land				
Constructions	19 311	1 027	7	20 331
Technical installations, equipments and industrial tools	137 997	7 222	1 509	143 711
Other tangible fixed assets	2 752	96	33	2 815
Assets under construction				
Advances and deposits				
Financial assets				
Participations				
Loans				
Other financial fixed assets				
GENERAL TOTAL	168 801	8 416	1 549	175 668

Intangible fixed assets

They consist mainly of the 1999 purchase of patents and a business for the production and marketing of certain types of rails.

The net value of intangible assets amounted to € 465 k,

Tangible assets

The acquisitions of the year amounted to € 6,697 k (commissioning in progress and allocation of advances from the previous year are not considered).

The activations are at 7,504 k € and relate the following materials:

- Constructions 334 k€
- Technical installations, industrial equipments and tools K € 7,131 (including € 3,982 k cylinders and 1,737 k € spare parts)
- Other intangible assets 39 k€

Divestments amounted to 1,919 k € and decompose, gross value and category as follows:

- Constructions 8 k€
- Technical installations, industrial equipments and tools K € 1,878 (including € 1,307 k cylinders and 536 k € spare parts)

- Other intangible assets 33 k€

The amount of depreciation and depreciation, amortization and provisions amounted to net worth € 5,986 k.

Considering these factors, the gross value of intangible, tangible and financial pass 256,923 k € 261,713 k € and the net value of € 88,122 k to 86,046 k € at the end of the year.

Note 3.2 Inventories and works in progress

The gross value of inventory at the end of the year is at 34,507 k € against 28,561 k € the previous close.

It comprises the following steps:

- gross value: 35,498 k€ in which:
 - Raw materials and other supplies 21,939 k€
 - Products during the production 4,241 k€
 - Intermediate products (being finalized among subcontractors), finished products (including stored outside) and residual products: 9,318 k€
- Depreciation: 991 k€ in which:
 - Raw materials and other supplies 829 k€ (lower realisation value of blooms stock and noise absorbers)
 - Finished products 162 k € (slow moving finished products stored on site)
 Impairment losses representing 2.8%

The stocks of semi-finished products (raw materials and other supplies) have been doubled with respect to the last year. Taking into account, primarily, of a significant volume pre-financed by a client as part of a market to be delivered at the end of financial year 2015.

Note 3.3 Operating receivables

Values (k€)			DUE		
GROSS AMOUNT	03/2014	03/2015	Receivables	Contractors Related	Amount in +1 yr
Trade accounts receivable	66 008	72 715	20	1 373	
Other receivables	1 035	657			
- Receivables from suppliers	95	86			
- Personal and social funds	639949	2 730		17 472	
- Loans from the government					
Other receivables (centralized account - cash pool TSFH)	2 718	17 472			
- Other receivables (receivable IS - TSFH)		927		927	
- Other receivables (various)		918			
Total other receivables		22 790	20	18 399	

The trade receivables amounted to € 72 715 k.

No operation of assignment of receivables was organised during the financial year.

Late payments are relatively high at the end but it is anticipated no significant risk of non-recovery is anticipated.

The payables receivables 657 k € consists mainly of repayments received in the cap of the contribution year public service of electricity as well as prepaid commissions.

Claims on the state consist mainly of taxes on added value to be retrieved.
Which reports significant share of transactions completed in England.

In the framework of the cash pool, the amount loaned to the Tata Steel Holding amounted to € 17,472 k.

These funds are paid based on the EONIA 0.10% if the position is debtor and + +2.75% if it is a creditor.

. The tax credits at the closing amounted 927 k €

The various debtors correspond to value-added tax accrued on the Bills has receive and assets has established.

The availability of post 28 k € takes debit balances not included in the cash pool.

The prepaid expenses amounted to 1,409 k €.

They consist primarily of transportation costs and delivery completion incurred on cases not yet invoiced to the clients or still not observed in the products and semi-finished products charged by the supplier, but not yet received.

Note 3.4 Equity capital

Values (k€)

Sections	Situation end on 03/2014	Change of method REC 2013-RO2	Affectation of the income	Result of the financial year	End situation 03 /2015
Capital stock	49 587				49 587
Premiums	113				113
Reserves	278		356		634
Balance brought forward		8 795	6 770	12 472	12 472
Result	7 126		(7 126)		
Total equity capital	57 104	8 795		12 472	60 781

The capital consists of 3,305,778 share of € 15 each, all of same category, which is wholly owned by the company Tata Steel Holding France

These, has decided, on a proposal from the President, to allocate 5% of profit for the previous financial years to the legal reserve and the balance carried forward

Note 3.5 Provisions for risks and charges

Sections	Amount to 03/2014	Increase	Decrease	Amount To 03/2015
Provisions for the risks	934	433	934 ¹	433
- losses in license	82	897	82 ²	897
- Customer disputes - suppliers	180		50 ³	130
- Other risks	1 196	1330	1 066	1 460
Provisions for pensions and similar obligations	12 934	9 844 ⁵	1 404⁴	21 374
- Other charges		4 391		4 391
Total	14 130	15 565	2 470	27 225

Which is justified by the recognition of the corresponding charge:

¹loss on license: 934 k€

² Customer disputes - suppliers - k€

³other risks :30 k€

³pensions and similar obligations :1 404 k€

Including change of method REC 203-R02:

⁵pension and similar obligations :8,795 k€

A new provision for loss has been made to book up to 433 k €.

This allows us to consider the potential loss on orders received before the closing and not delivered.

New customer and supplier disputes were provisioned for an amount of 897 k €.

Regarding pensions and similar obligations and as indicated in paragraph << change in accounting methods>>, the accumulated actuarial gains and losses and past service costs Unamortized beginning of the year, were recognized in equity and deferred adjustment recorded again was up to (8 795) k €.

The changes in provisions for pensions and similar obligations resulting from the inclusion of payments made during the financial year.

The allocations consist of the following:

Awards: 137 k € (88 k € for 2013/2014)

Provisions for the retirement gratuity: 312 k€ (411 k€ for 2013/14)

IRUS active and inactive: € 600 k (1,182 k € for 2013/2014)

The regulations are divided as follows:

Awards: 40 k€ (49 k€ for 2013/2014)

Provisions for the retirement gratuity: € 482 k (578 k € for 2013/2014)

IRUS pensions: € 882 k (940 k € for 2013/2014)

The item of other provisions for operating expenses was entered up to 4,391 k € in order to consider, at the closing, the commitment of the company as part of pre-financed contract of processing of semi-finished products.

Note 3.6 Borrowings and financial debts

Sections	Amount to 03/2014	New Loans	Reimburse-ments	Amount to 03/2015
Bank overdrafts	46		45	1
Loan TSFH	47 103	922		48 026
TSN loan	11 000	274	11 319	
TOTAL	58 149	1 196	11 319	48 026

The increase of € 922 k is interest recognized in the period of the loan Tata Steel France Holdings

The rate applied in 2014 (calendar year) has been of 3.79 % and in 2013 (calendar year) of 3.94%.

At closing, the principal amount to € 23,016 k and the total cumulative 25.009 k € interests.

The borrowing contracted on March 27, 2014 with Tata Steel Nederland for a principal amount of 11 000 k€ to an interest rate of 2.43% has been reimbursed in total on 31st March 2015.

Note 3.7 Debts from operation

Values (k€)

GROSS AMOUNT	DUE				
	03/2014	03/2015	Notes payable	Contractors related	Amount for 1 year
Trade creditors and other accounts payable	29 704	49 347		36 421	
Fiscal and social debts	12 679	13 287			
Other debts					
- Trade receivables	128	1 651			
- Amounts payable on fixed assets and related accounts	6 377	2 784			
- Other receivables (receivable IS - TSFH)	1 013				
- Other receivables (receivable IS - TSFH)	604	2 444		2 444	
- Other receivables (centralised account - cash pool TSFH)	1 568	1 623		1 080	
- Other creditors (debt to repay - PROCO)					
- Other payables (various)	9 691	8 502		3 524	
Total other debts					

The payables amounted to € 49,347 k.

The intercompany payables consists mainly supplies semi-finished products and finished products, rails and sleepers, and purchases of services, especially brand fees, commissions, charges and central structures of research and development.

The company's debts amounted to € 9,584 k and are formed by the development of paid leave earned by the staff, l'intéressement outstanding at the closing of the share, pro rata, bonuses and elements deferred wages and payroll taxes on accrued liabilities and adjust to social agencies for March or the last quarter of the year.

The liabilities are 3 703 k € including 2 569 k € under the titles of value added tax of France was set in April 2015.

Accounts payable is the amount customers deferred rebates to customers for which the assets have not yet been established.

Debts on fixed assets totalled 2,784 k € k € 1,521 including invoices not received noting the progress of the work in progress.

Taking into account the positive tax result and in accordance with the new modalities of allocation of loss-making reports, a tax on the profits of 2 444 k€.

Other payables consist of agents' commissions payable in the balance sheet.

IV - NOTES TO THE INCOME STATEMENT

Note 4.1 Operating income

They include mainly:

The turnover of the financial year : 321,213, 279,578 k€ (279 578 k€ in 2013/14)

The breakdown of sales is as follows:

Sales of rails: 246,081 k€ (247,641 k€ in 2013 / 14)

Sales of goods (blooms rails - rails) :49 114k€ (16 950 k€ in 2013/14)

Sales of working a way: 8,810 k€ (416 k€ in 2013/14)

Sale of noise absorber: 1 732 k€ (231 k€ in 2013/14)

Waste products and scrap: 14,855 k€ (13,814 k€ in 2013 / 14)

Other sales and services: 591 k€ (526 k€ in 2013 / 14)

France: 154,794 k€ is 48%

Others: 166,419 k€ or 52% including 8,492 k€ intra-group

Stored production : -4,525 k€ (-267 k€ in 2013 / 14)

This reflects an decreases in inventories of goods in process and finished products.

Reversals of depreciation and provisions: 2,837 k€ (3,765 k€ in 2013 / 14)

Provisions for pensions and similar obligations 1,404 k€

Risks and charges - Customer disputes and suppliers: 934 k€

Current assets - inventory writedown: 367 k€

Risks and charges - Customer disputes and suppliers: 82 k€

Risks and charges – others: 50 k€

The transfer of the costs 739 k€ (773 k€ in 2013 / 14)

Expenses billed: 442 k€

Reimbursements from (insurance and training): 257 k€

Value of benefits in kind: 40 k€

Other products: 142 k€ (368 k€ in 2013 / 14)

They are mainly consisted of the remaining disputes

Suppliers in favour of the company

Note 4.2 Operating charges

They include, in particular:

Purchases of goods and materials (including inventory changes): 200,022 k€ (178,165 k€ in 2013 / 14)

Purchases of goods, mainly intragroup rails and ancillary rail products have found a usual k € to 44,054 level.

The consumption of raw materials and other supplies stood at 155,968 against 162,729 k € k € for the previous year.

Purchases and other external charges: 54,712 k€ (52,418 k€ in 2013 / 14)

including

Transport on sales 17 328 k€

Energy (gas, electricity, water): 9,914 k€

Maintenance of the facilities: 5 026 k€

Temporary employee: 3,670 k€

Holding costs: 2,058 k€

Taxes, duties and other similar levies: 3,637 k€ (3,220 k€ in 2013 / 14)

Territorial economic contribution: 1,461 k€

Taxes levied on wages: 718 k€

Land tax: 507 k€

Social solidarity contribution 425 k€

Social package of incentives: 243 k€

Tax on pensions <<cap >> 195 k €

Miscellaneous: 88 k€

The amount of territorial economic contribution payable is capped at Ia added value produced by the company.

Personnel expenses: 28,973 k€ (27,937 k€ in 2013 / 14)

The increase in personnel expense is due to pay rises granted during the financial year and an opening time of the workshops is more important.

Exceptional depreciation : 8 416 k€ (8,054 k€ in 2013 / 14)

The allocations correspond to the linear annuity for the year:

Intangible assets: 71 k€

Tangible assets: 6,296 k€

And cylinders wear and pebbles

Tangible assets: 2,049 k€

Provisions k € 7,638 (€ 3,584 k in 2013/14)
 Risks and charges – others charges: 4,391 k€
 Provisions for pensions and similar obligations 1,049 k€
 Risks and charges - Customer disputes and suppliers: 897 k€
 Current assets - inventory writedown: 869 k€
 Risks and charges - backlog losses: 433 k€

Other charges: 336 k€ (60 k€ in 2013 / 114)

They essentially consist of fees paid.

Note 4.3 Financial result

Net financial income amounted to (-1,473 ') k € ((-2,154) k € in 2013/14)

Charges of interests -1 509 k€

Interest on loans Tata Steel France Holdings and Tata Steel Nederland: 1,196 k€

Discount charges on receivables: 134 k€

Interest income: 36 k € of which 27 k € discount obtained from suppliers.

Note 4.4 Extraordinary income

Net exceptional income amounted to -196 k € (-230 k € in 2013/14)

Including, On capital transactions (-293) k € corresponding to the net book value and the proceeds from the sale of fixed assets scrapped

V - EVENTS POST CLOSING

No significant events are to be reported.

VI - OTHER INFORMATION

Note 6.1 Maturities of assets and liabilities

Values (k€)

Sections and items	Gross amount	Maturity 1 year ago more than	Maturity between 1 year and 5 years	Maturity More than 5 years
Debts				
Claims on assets				
- Other financial fixed assets	43		43	
Receivables in current assets				
- Advances and deposits				
Doubtful and disputed trade receivables				
- Clients receivables and related accounts	72 715	72 715		
Other receivables	22 790	22 790		
-Prepaid expenses	1 410	1 410		
Total receivables	96 958	96 915	43	
Debts				
- Loans and other borrowings from credit institutions	1	1		
- Sundry borrowings and financial debts	48 025	48 025		
- Advances and payments	10 313	10 313		
- Debts to suppliers and related accounts	49 347	49 347		
- Fiscal and social debts	13 287	13 287		
- Amounts payable on fixed assets and related accounts	2 783	2 783		
- Other debts	5 718	5 718		
Total debts	14	14		
	129 488	129 488		

Note 6.2 Information regarding the companies and relevant parties

The items are as follows:

Values (k€)

Posts	Amount
Clients receivables and related accounts	1 373
Other receivables	18 399
Expenses paid in advance	245
Debts to suppliers and related accounts	48 025
Sundry borrowings and financial debts	36 421
Other debts	3 524
Finished products sales	8 492
Ordinary income	291
Transfer of charges	3
Purchasing materials and products	208 445
Research costs	43
Commissions	313
Security costs	491
Shipping discount	53
Holding costs	2 059
Financial expenses	11 196

There is no significance of transactions with related parties and may fall within the scope of Article R 123-198 of the Commercial Code,

Note 6.3 Off-balance sheet commitment

At closing, the amount of bank guarantees granted to customers of € 28,534 k (bid, advance payment, performance, exemption from backup withholding).

Those accorded to suppliers amounted to € 68 k (payment guarantee and securely site in case of failure of the operator).

The amount of bank guarantees from suppliers totaled 176 k € (exemption from backup withholding).

Existing at the end hedges are as follows:

26.6 million pounds (forward purchases)
1.9 million dollars (sales term)
72.6 million of South African rand (sales term)

Sterling futures purchases are intended to cover part of the supply of blooms the following year and firm orders for rails addressed to the English sister plant.

It is to be noted that the system of individual training rights (DIF) disappeared in 01 January 2015 in favour of the Training Personnel (CPF) account managed by the Funds of Deposits and Consignations and funded through the vocational training contributions.

Note 6.4 Breakdown of average workforce

The average number of full-time equivalents amounted to 490 people, including temporary staff. The categorical distribution is as follows:

Employees: 20
Supervisors 20
417 technicians (73 temporary)
Managerial staff: 33

Note 6.5 Compensations of the senior managers

In accordance with the principle of respect for the right of people, this information is not communicated, because it would have the indirect effect of providing information has individual character.

Note 6.6 Tax situation

Since fiscal year ending March 31, 2012, the company is part of a tax consolidation group the parent company of which is Tata Steel Holdings France SAS

The tax consolidation convention provides that the Company pays to the Tata Steel France Holdings the charge for the corporation tax which it is liable as if the incomes were reported independently.

Given an accounting profit before income tax of € 14 916 k and after reinstatement provisions and non-deductible expenses and net reversals and non-taxable income, exercise releases a net positive income of 13 995k€

Considering the loss carry forwards available and accountable, the charge of corporate tax for the year is established, additional taxes, 2,444 k €, on which have been charged 739 k€ tax research, family and competitiveness.

The tax debt of France Tata Steel Holdings, is counted at the closing € 1 516k

The breakdown of the tax is given in the below table:

Values (k€)

	Income before tax	Income tax	Allocation of deficits	Tax payable	Net profit after tax
Profit before tax and extraordinary items	15 200	14 192	7 498	2 518	12 682
Extraordinary income	-197	-197		-74	-123
Employee profit sharing	-180				-180
Credit of tax (beyond CICE)	93				93
Total	14 916	13 995	7 498	2 444	12 472

The deferred tax position of the Company is as follows;

Values (k€)

	Base tax differed asset	Base tax differed liability	Future tax relief	Future tax increase
Carry forwards	3 158		1 200	
Temporary differences				
Social liabilities	20 680		7 859	
Losses in license	432		164	
Others	473		180	
Total deferred tax	24 743		9 402	

Note 6.7 Accounts payable and accrued

Values (k€)	
Sections and items	Amount
Including accrued liabilities	
Debits	
- Loans and other borrowings from credit institutions	1
- Sundry borrowings and financial debts	48 025
Including accrued interest 25,009	
- Advances and payments	10 313
- Debts to suppliers and related accounts	49 347
Including bills receivable 13,553	
- Fiscal and social debts	13 287
Holiday allowance 3,883	
Including other benefits 1,500	
Including fringe benefits payable 2,478	
Donations taxes payable 1,400	
- Amounts payable on fixed assets and related accounts	2 784
Including bills receivable 1,521	
Other debts	5 718
Including bills receivable and assets to establish 2,970	
Unearned income	14
Including the accrued income	
Debits	
Claims on assets	
Other financial fixed assets	43
Receivables in current assets	
Advances and deposits	
Clients receivables and related accounts	72 715
Including bills receivable 7	
Other receivables	5 318
Including bills receivable and assets to establish 40	
Including various products receive 464	
Other receivables (cash- pool TSFH)	17 472
Expenses paid in advance	1 409

Note 6.8 Other information

The annual accounts of the company are included in the consolidated accounts of the company Tata Steel Ltd 30, Bombay House, 24 Homi Mody Street, Mumbai 400 001).

The company does not have any subsidiary and has no interest in other companies.

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.