

UNITOL
Simplified Joint Stock Company
1, rue Fernand Raynaud
91814 CORBEIL ESSONNES

Auditor's report
concerning the annual financial statements

Financial year ending on 31st March 2016

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 2016 on:

- the audit of the annual financial statements of UNITOL 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. It also consists in judging the accounting principles followed and the significant estimates used in closing out the financial statements, and in judging their general presentation. We consider that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

We hereby certify that in the light of French accounting rules and principles, the annual financial statements are regular and accurate, and give a fair representation of the results of the operations of the past financial year as well as of the company's financial situation and assets at the end of the said financial year.

Without qualifying our opinion expressed above, we inform you on the following items:

the considerations relating to the letter of support from Tata Steel Nederland BV guarantee business continuity exposed in the second paragraph on page 6 of the note "RULES AND METHODS FOR ACCOUNTING "of the notes to the annual accounts,

The considerations relating to the Tata Steel Nederland BV business continuity exposed in to ensure continuity of operation of the company Dégels GMBH outlined on page 7 <ACCOUNTING POLICIES – 1.2 Financial Immobilization > as well as the note 1.2 relating thereto and therefore the lack of recognition of a provision for negative net assets, the last paragraph on page 7 of the note < RULES AND ACCOUNTING METHODS - 1.1 tangible and intangible assets > as well as note 1.2 thereto, that exposes the effect of testing on the value of the tangible assets which had led to record depreciation during the year ended March 31, 2013, with the effect on the period consists of a reversal of provision for depreciation of 1 261 688 Euros.

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:

Going concern

As mentioned in the first part of this report, the note "ACCOUNTING METHODS AND POLICIES" in annex presents the considerations related to the current concern.

We were led to consider the provisions envisaged in this respect.

Based on our work and the information that was provided to us to date, and as part of our assessment of the accounting principles applied by your company, we believe that the appropriate appendix provides information on the status of company with regard to continuity of operations.

Depreciation of securities

As mentioned in the first part of this report, the note "HIGHLIGHT OF THE YEAR – 1.2 Financial assets" of annex presents the consideration related to the evaluation of the equity security. Based on our work and the information that was provided to us to date, and as part of our assessment of the accounting principles applied by your company, we believe that the appropriate appendix provides information on the evaluation of the equity security.

Impairment of the tangible fixed assets

The company performs in the presence of objective indicators, each closing a test for impairment of fixed assets, as described in the last paragraph on page 7 of the note "RULES AND ACCOUNTING METHODS 1.1 – Tangible and Intangible Assets" in annex of the annual accounts. We examine how to implement these tests of impairment as well as cash flow forecasts and assumptions used and we have verified that the note referred to above of the Annex provides appropriate information.

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 21st June 2016

Statutory Auditors
Deloitte & Associés

R J Alex LEGON

UNITOL SAS
Financial statement date 31st March 2016 (EURO – Europe)

ASSET BALANCE SHEET

<i>Sections</i>	<i>Gross amount</i>	<i>Amort. Prov.</i>	31/03/2016	31/03/2015
Subscribed non-paid capital				
INTANGIBLE ASSETS				
Installation cost				
Development costs				
Franchises, patents, and similar rights				
Goodwill				
Other intangible assets				
Advance and down payment for intangible assets	752143	729555	22588	12015
TANGIBLE FIXED ASSETS				
Land	1492969	1444586	48383	44086
Constructions	12078457	11906859	171599	5925
Technical installation, industrial equipment and tools	14398940	13776675	622266	442550
Other tangible fixed assets	395591	336891	58701	22803
Assets under construction	71658	5945	65713	7839
Advances and deposits				
FINANCIAL ASSETS				
Equity interests evaluated on an equity basis				
Other equity interests	1592000	1592000		
Receivables from participations				
Other fixed investments				
Loans	42099		42099	21845
Other financial fixed assets	16 388		16388	16301
FIXED ASSETS	30 840245	29 792510	1047736	573365
INVENTORIES AND WORKS IN PROGRESS				
Raw materials, procurement supplies	10763454	501880	10261575	10912567
Work-in progress goods	140636		140636	198186
Work-in progress of services and production				
Intermediate and finished goods	4390471	223930	4166542	5106535
Goods	1496023		140636	1476158
Advances and prepayments on orders	102219		102219	6838
RECEIVABLES				
Clients receivables and related accounts	24821786	1007570	23814216	27108745
Other receivables	1075768		1075768	1795244
Subscribed capital called but unpaid				
MISCELLANEOUS				
Investments in transferable securities (including their own shares)				
Assets				
ADJUSTMENT ACCOUNTS - ASSETS				
Expenses paid in advance	69522		69522	676794
CURRENT ASSET	42859879	1733379	41126499	47281067
Debt issuing expenses which can be allocated to future fiscal years				
Bond redemption premium				
Conversion differences - Assets				
GENERAL TOTAL	73700124	31525889	42174235	47854432

BALANCE SHEET - LIABILITIES

<i>Sections</i>	<i>31/03/2014</i>	<i>31/03/2013</i>
Share or individual capital (including actual payment: 6 000 000)	6 000 000	10 000 000
Premium contribution, issuance, merger		
Variation of revaluation (including the variation of equivalence)		
Legal reserve	4 54 346	4 54 346
Statutory, contractual reserves		(20 246 295)
Untaxed reserves (including reserves for the current fluctuation provisions)	1 821 325	
Other reserves (including purchase of the original works by living artists)	14 973	14 973
Balance brought forward		(20246295)
NET INCOME OF THE FINANCIAL YEAR (profit + or loss -)	(3 060 875)	(6 932 379)
Investment grants		
Regulated provisions		
EQUITY	5 229 769	(16 709 356)
Proceeds from issues of participating securities		
Contingent advances		
OTHER EQUITY CAPITALS		
Provisions for the risks	700 590	157 453
Provisions for expenses		694 814
PROVISIONS	700 590	852 267
FINANCIAL DEBTS		
Convertible debenture loans		
Other debenture loans		
Loans and other borrowings from credit institutions	343	5 644
Sundry borrowings and financial debts (including share borrowings) borrowings).	15 012 634	37 018 443
Advances and prepayments received on the current orders		
DEBTS FROM OPERATION		
Debts to suppliers and related accounts	12 973 463	16 268 428
Fiscal and social debts	4 042 817	4 537 352
OTHER DEBTS		
Amounts payable on fixed assets and related accounts	75 055	37 317
Other debts	3861219	5 427 761
ADJUSTMENT ACCOUNTS - ASSETS		
Unearned income	278 344	416 576
DEBTS	36 243 876	63 711 521
Conversion differences liabilities		
GENERAL TOTAL	42 174 235	47 854 432

Income of the financial year in centimes

-3 060 874,63

Total of the balance sheet in centimes

42 174 234,75

PROFIT AND LOSS ACCOUNTS (in list)

<i>Sections</i>	<i>France</i>	<i>Export</i>	<i>31/03/2016</i>	<i>31/03/2015</i>
Sale of goods	15 750 754	171511	15922 264	13 730 936
Production sold of goods *	133 715 842	1 372 696	135 088 537	146 989 372
Production sold of services	451 071	273 534	724 605	854 993
NET TURNOVER	149 917 666	1 817 741	151 735 407	166 575 301
Production of inventory stocks			(1099533)	(542 997)
Capitalised production				4 400
Subsidies				1 974 330
Write-back of depreciation and provision, transfer of charges			1 235 542	1 201
Other incomes			1 493	
OPERATING INCOME			151 872 909	163 007 836
Purchases of goods bought for resale (including customs duty)			13 888 410	9 456 290
Change in stocks of goods bought for resale			(19865)	(888 095)
Purchases of raw materials and other supplies (incl. customs duty)			119 787 046	133 884 845
Change in stocks of raw materials and other supplies			651 462	3 362 934
Purchases and other external charges			10 640 898	10 752 918
Taxes, duties and similar levies			896 992	980 313
Wages and salaries			4 443 873	4 292 849
Payroll			2 244 996	2 230 086
OPERATING ALLOWANCE				
On assets: Exceptional depreciation			908 406	1 104 106
On assets depreciation and amortisations			437 888	227 289
On current asset depreciation and provisions			732 892	1 301 235
Allocation to provision			90 466	74 257
Other expenses			250 138	1 094 421
OPERATING COSTS			155 153 601	167 873 453
OPERATION INCOME			(3 280 692)	(4 865 618)
JOINT OPERATIONS				
Profits transferred in or losses transferred out				
Profits transferred out or losses transferred				
FINANCIAL INCOMES				
Financial income from equity interests				
Incomes from the other securities and fixed assets receivables				
Other interests and similar income			193	11 313
Write-backs of depreciations, provisions and transferred expenses			157 453	
Deferred positive exchange differences			9123	12093
Net income from sales of marketable securities				
FINANCIAL INCOMES			166 768	23 406
Financial depreciation, amortisations and provisions				1 749 453
Interests and similar charges			1 220 861	1 751 998
Deferred negative exchange differences			6 513	4 278
Net charges from sales of marketable securities				
FINANCIAL EXPENSES			1 227 374	3 505 729
FINANCIAL INCOME			(1 060 606)	(3 482 323)
CURRENT INCOME BEFORE TAX ASSESSMENT			(4 341 298)	(8 347 940)
Non-recurring income on management operations			34 922	114 120
Non-recurring income on capital transactions				35 000
Write-backs of depreciations, provisions and transferred expenses			1 261 688	1 312 262
EXTRAORDINARY INCOMES			1 296 611	1 461 382
Non-recurring charges on management operations			16 188	10 468
Non-recurring expenses on capital transactions				35 353
Extraordinary depreciation, amortisations and provisions				
EXTRAORDINARY CHARGES			16 188	45 821
EXTRAORDINARY INCOME			1 280 423	1 415 561
Employee profit sharing of the company				
Profit tax				
TOTAL OF THE INCOMES			153 336 288	164 892 623
TOTAL OF THE CHARGES			156 397 162	171 425 003
PROFIT OR LOSS			(3 060 875)	(6 932 379)

ANNEXE

INTRODUCTORY COMMENTS

The exercise showed a net accounting loss of 3,060 875 Euro, including (1,280,423) Euro of exceptional income which are divided as below:

- Provision for depreciation of tangible assets 1.261.688 €
- Net expenses and income for 18.735 €

The volumes of the year 2015-16 followed the trend of the French market for steel. It continues at levels slightly higher over the last 2 years, supported by the automotive industry.

Despite the prices of steel during the past year, the company subscribed and repaid the borrowings up to 12.634 € and 22,018,443 € respectively.

FINANCIAL HIGHLIGHTS OF THE FINANCIAL YEAR

On 23 October 2015, the social capital has been increased of 25,000,000 EUR for wearing of 10,000,000 EUR to 35,000,000 EUR 156.250 emission new shares of 160 EUR each, issued at par, fully subscribed at released by the sole partners, then reduced 29.000.000 EUR by way of cancellation of 181.250 shares and compensation, to amount on the deficit balance of report again amounting to EUR (27.178.675) , and by allocation of the balance, or the sum of 1.821.325 EUR to an unavailable reserve account intended to receive compensation with everything or leave any deficit results for future years.

The stock of Unitol SAS was increased by €1.763.565 following the change of the incoterms on the Group purchases.

ACCOUNTING RULES AND METHODS

The conventions below were applied in adherence to the principle of prudence, according to the basic rules of:

- continuity of the operations;
- consistency of the accounting methods from one financial year to the next financial year,
- independence of the fiscal year; and in accordance with the general rules for establishing and presenting the annual financial statements applicable in France. according to regulation ANC no. 2014-03.

The preparation of the financial statements requires the shares of the company to make estimates and assumptions which could have an impact on the reported amounts of assets, liabilities, income and expenses. In this regard, the Tata Steel Group by means of Tata Steel Nederland By, a Dutch company, confirmed on date 16th May 2016, for the further financial support to the date of approval of the accounts the financial year ended on 31st March 2017.

The Company is exposed to both the specific risks related to the business of metallurgy and has more general risks related to its industrial and commercial activities in an international environment.

No change has been made in accounting policies during this periods of the financial year 2015-16.

The options used by the company are explained as below:

1.1 Tangible and Intangible Assets

The tangible and intangible fixed assets are evaluated at their acquisition cost without accessories cost for purchase and their production cost.

The provisions for depreciation are calculated over the life period of the assets according to the following linear methods:

- Software	3 years	Linear
- Constructions	20 to 30 years	Linear
- General fittings and fixtures	15 years	Linear
- Technical installations, industrial equipments and tools	7 to 8 years	Linear
- Office equipment and computer	3 to 5 years	Linear
- Furniture	6 years	Linear

For the company Unitol, it is depreciated on a straight-line basis.

The maintenance and repair costs are recognized as an expense when these are incurred.

The financial charges are excluded from the value of the asset.

The company performs in the presence of objective indicators, each closing a test for impairment of fixed assets, whose impact on the financial statements are described in Note 1.2 of Schedule

1.2 Financial assets

Participations are measured at historical cost of acquisition.

A provision for impairment is established when the security acquisition value exceeds the share of the net equity of the subsidiary, possibly corrected for future prospects and profitability and the market value of assets held by the company.

1.3 Inventories and works in progress

The inventories are evaluated according to the FIFO method (first in / first out).

The inventories and works in progress are evaluated:

- for the part material, the purchase price increased from the cost of supplies.
- For the finished products and semi-finished products, the production cost includes the cost of materials, direct and indirect transformation.

Thus, the cost does not include any financial expenses, or business expenses.

The inventories and work in progress are depreciated in consideration of their probable realization value and according to their rotation. A provision for the depreciation is recognised in the event that their value is less than the gross value at the balance sheet.

The calculation of the PRU was conducted on December 31, 2013 update of the stock was carried out at 31 March 2014 on this basis.

1.4 Customers accounts

The receivables are recorded at their nominal value. A depreciation is recognized according to the risk analysis of each debt recovery.

1.5 Conversion differences

The liabilities and the receivables denominated in foreign currency recognised in the balance sheet during the end of the financial year. The differences resulting from this valuation are reported on the balance sheet in foreign currency adjustment accounts. If required, the unrealised losses from a provision for the global risk of currency exchange after taking into account of the hedging operations put in place.

1.6 Treasury (Cash)

Centralised cash management:

In application of the agreement of the centralised cash management between the companies in Tata Steel France Holdings, centralizing entity of the Cash for the Group's French companies, the company's position vis à vis, the credit provider for the central management of cash is subject to automatic compensation with the central treasury. As a result, any excess or short of the company towards the establishment of a credit shall be transferred, or covered by, Tata Steel France Holdings SAS respectively.

The balances transferred to, or covered by, Sacra Nord, are presented in the balance sheet respectively in other receivables or other liabilities.

The company presents the balance sheet or availability Borrowings from the credit institutions, the balance of transactions that have not been subject to the closing of the financial year of a transfer, or coverage, Tata Steel France Holdings.

As on March 31, 2016 the cash deficit transferred to Tata Steel Holdings France SAS amounted to € 2,721,045.88 and is present in other debts.

1.7 Provision for risks and charges

A provision is recognized when it is probable that an outflow of risk resources without at least equivalent.

The charges subject to the provisions are essentially composed of:

- The cost of the retirement benefits and the bonuses.

The rights acquired by all the staff, in terms of retirement pension and long-service award commitments are subject to actuarial evaluations including weights according to the probabilities of remaining in the company, and taking into account the expected future salary.

1.8 Corporation tax

Since 1st January 2004, UNITOL SAS is integrated in the taxation group of Tata Steel France Holdings SAS.

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

1.9 Acknowledgement of the turnover

The revenue is recognized in accordance with "Incoterms" mentioned in the contract, usually at the time of delivery to the customer.

1.10 Tax Credit for Competitiveness and Employment

The CICE is recorded at the rate of engagement is considered as and extent of the commitment of the corresponding compensation expense.

Accounting of CICE was carried out by the option of a reduction in personnel costs, crediting an account under 64 (ANC Information dated February 28, 2013 note) for an amount of 144,260 Euros for the 2015-2016 period..

It has not been pre-financing during fiscal 2015

The C.I.C.E. was used by Unitol SAS to increase its operating income.

1.11 Events after the balance sheet date

Any event likely to modify the presentation of the financial statements which has occurred since the end of the year

**INFORMATIONS
BILAN ET RESULTAT**

NOTES RELATED TO THE ITEMS OF THE BALANCE SHEET

Note 1: ASSETS

1.1 Gross capital

Analysis as per type

(in K.EUROS)	Balance 31/03/15	Acquisitions 2015-2016	Transferred item to item	Disposals 2015-2016	Balance 31/03/16
Patent, licenses fees	0				0
Other items of the intangible assets	729	8	7		744
Current year intangible property	7	8	(7)		8
s/ total of the intangible properties	736	16	0	0	752
Land	1 486	7			1 493
Constructions	11908	168	3		12 079
Technical installations, equipments and tools	14 162	232	5		14 399
Other tangible fixed assets	345	50			395
Tangible fixed assets in progress	14	66	(8)		72
Advances and deposits	0				0
Sub total of the tangible properties	27 915	523	0	0	28 438
Other equity interests	1 592				1 592
Other financial fixed assets	38	20			58
Sub-total of the financial assets	1 630	22	0	0	1 6 50
TOTAL	30 281	559	0	0	30 840

Acquisitions of intangible assets for € 16K correspond to purchase licenses and backup software for servers.

Acquisitions of tangible fixed assets consist primarily of replacement expenditures and reclamation for 414 k € (including 188 k € for the working capital of Corbeil and Evry, 93 k € for development of the new maintenance hall of Corbeil, 13 k € for the replacement of the heating in the hall F of Corbeil, 14 k € for the new plant lighting and Corbeil offices and 106 k € of industrial equipment and various fittings) and € 43 k materials IT (microphones and switches)

The balance of the fixed assets is 66 K € (including 49 K € Rehabilitation of 32T Evry Bridge and 17 K € various IT.)

The participation to 1,592 K € corresponds to 100% of the shares of the German company thaws GmbH (ex Burgdorfer Grundstücks GmbH).

The balance of financial assets for € 58 KG corresponding to the bonds paid for 16 K € and loans 1% building for 42 K €.

1.2 Amortisations and depreciations

Analysis as per type.

(in K. EUROS)	Balance 31/03/15	Increases 2014-2015		Transfer item to item	Decrease 2014-15	Balance 31/03/15
		Depreciation 2014-2015	Depreciations.			
Patent, licenses fees	0					0
Other items of the intangible assets	724	6				730
s/ total of the intangible properties	724	6	0	0	0	730
Constructions	1 442	51			48	1 445
Technical installations, equipments and tools **	13720	433	438		833	13 776
Other tangible fixed assets	322	19			4	337
Tangible fixed assets in progress	6					6
Sub total of the tangible properties	27392	903	438	0	1262	27 471
Other equity interests	1592	0		0	0	1 592
Other financial investments	0	0				0
Sub-total of the financial assets	1592	0	0	0	0	1 592
TOTAL	29708	909	438	0	1 262	29 793

The change in depreciation of tangible fixed assets were as follows:

- The increase is € 22 KM impairment operating Property Evry.

-The Decrease of € 1,312 K corresponds to a reversal of provision excellently on tangible assets. March 31, 2015 following an impairment test impairment was recognized to reduce to zero the net book value of tangible fixed assets on the balance sheet. Over the financial year 2014-15 the provision reversal neutralizes depreciation and provisions recorded on tangible assets impaired at March 31, 2015.

No impairment was performed on the carrying value of purchases for the year 2014-15.

The company has signed two contracts for leasing with purchase option for the commercial buildings modular in Corbeil Essonnes

Note 2: INVENTORIES AND WORKS IN PROGRESS

(in K EUR0S)	Financial year ending on 31 st March 2016			Financial year from 31 st March 2015	
	Gross values	Depreciation and provisions	Net values	Gross values	Net values
Raw materials and other supplies	10764	502	10 262	11415	10913
Work in progress of the goods	141	0	141	198	303
Intermediate and finished goods	4390	224	4166	5432	5 106
Goods	1496	0	1 496	1476	588
TOTAL	16791	726	16065	18521	17693

On dated 31st March 2014 for the provision about the stocks break down as follows:

- Provision NRV:	226 K€
- Slow inventory turnover:	20 K€
- Other depreciation provision:	100 K€
- Provision for packaging:	74 K€
Provision for the spare parts:	306 K€
TOTAL	726 K€

Note 4: RECEIVABLES

(in K EUR0S)	FINANCIAL YEAR 2013-2014					Gross value for the financial year 2011-2012
	Values gross	Including the receivables	Including the accrued income	Amount for not more than 1 year	Amount for more than one year	
- Advances and prepayments received on the current orders	24822	45	188	24822		28297
- Clients receivables and related accounts	555		47	555		726
- Fiscal and social receivables	118		79	118		812
- Other operating receivables						
s/total = operating receivable	24495	45	314	25495	0	29835
Various receivables without Expenses paid in advance	402			402		258
	70			70		677
s/total = Sundry debtors	472	0	0	472		935
TOTAL	25967	45	314	25967		30770

The amount of bills submitted for the encashment is: 528 K €

The trade receivables are subject to a case by case assessment. Depending on the incurred risk which consists in each of a provision for depreciation.

On 31st March 2016, the provision for the depreciation is increased to 1.008K €

The sundry receivables position non-operating corresponds to the claim of the IECC the Unitor SAS company has transferred to its integration company Tata Steel France Holding S.A. company

The expenses paid in advance corresponding to: 70 K € charges and various service.

Note 4: EQUITY

(in K EUR0S)	Balance on 31.03.15 before allocation	Allocation of the income	Increase in the capital	Capital reduction	Result the financial year 2015-2016	Balance 31.03.16 Before allocation
Capital	10 000		25000	(29000)		6 000
Reserves:						
-Legal	454					454
- Regulatory	0			1822		1822
- Others	15					15
Balance brought forward	(20246)	(6932)		27178		0
Income of the financial year	(6932)	6932			(3061)	(3061)
Regulatory						

provisions						
TOTAL	(16709)	0	25000	0	(3061)	5230

On 23 October 2015, the social capital has been increased of 25,000 EUR for wearing of 10,000 EUR to 35,000 EUR 156.250 emission new shares of 160 EUR each, issued at par, fully subscribed at released by the sole partners, then reduced 29,000 EUR by way of cancellation of 181.250 shares and compensation, to amount on the deficit balance of report again amounting to EUR (27,178) , and by allocation of the balance, or the sum of 1,822 EUR to an unavailable reserve account intended to receive compensation with everything or leave any deficit results for future years.

On 31st March 2016, the share capital is fully paid. It consists of 34,500 shares with a face value of 160 Euros.

He was not paid any dividends.

Note 5: PROVISIONS FOR RISKS AND CHARGES

(in K EUROS)	Balance 01/04/15	Provisions for the financial year 2015-2016	Provisions of the financial year		Balance 31/03/2016
			Used 2015-2016	not used 2015-2016	
- Provisions for the risks					
- - Provision of the negative net situation of the financial year	157			157	0
- Provision for charge					
- Provisions for the retirement gratuity	695	90	74	10	701
TOTAL	695	90	74	167	701

The company Unitol SAS has signed an insurance contract to cover its commitments to compensation of the retirement gratuity.

As on March 31, 2016, the social liability is measured at 621 K €, given the amount of collective funds subscribed by the Company if Unitol increased to € 211 K

We make the following assumptions:

Effective employee = 108 persons

Average monthly salary = € 40,061 - payroll = 4,530,385, a commitment to 31st March 2016 of 1,003,460 Euros.

We make the following other assumptions:

Payroll tax rate = 2% - Annual rate of salary = 2% (including inflation) - annual rate capitalization = 1.59% (inflation included) rate = 54% social security retirement age = 65 years for the management and 63 for non management.

Terms of retirement = voluntary retirement - financial rate of return = 5%

The management of the company has opted for method N 1 of the recommendation of the 2013-02 ANC. Accordingly, actuarial gains and losses are recognized in income and are considered off-balance sheet commitments. The actuarial gains and losses amounted to 99 K € on 31/03/2016.

Note 6: DEBTS

(in K EUROS)	FINANCIAL YEAR 2015-2016					
	Gross values 31.03.16	A 1 year to more than	More than 1 and less than 5 years	More than 5 years	Accrued charges	Gross value for the financial year 2013- 2014
- Loans and other borrowings from credit institutions	0	0			0	6
- Sundry borrowings and financial debts	15013	15013	0		13	37018
s/total = financial debts	15013	15013	0	0	13	37024
Advances and prepayments received on the current orders	0	0				0
- Debts to suppliers and related accounts	12973	12973			3058	16268
- Fiscal and social debts	4 043	4 043			1 656	4 537
- Other operating liabilities	1 140	1 140			746	1018
s/total = operating liabilities	18156	18156	0		5 460	21 823
- Amounts payable on fixed assets and related accounts	75	75			19	37
- Other non operating liabilities	2 721	4 410			0	4 410
- Accrued income	278	417			0	417
s/total = various debts	3074	4 902	0	0	19	4 864
- TOTAL	36 243	38 071	0	0	5 492	63711

Other non-operating debts position corresponds to the balance of the polarized cash account pooling towards the company Tata Steel France Holdings SAS.

NOTES RELATED TO THE ITEMS OF THE PROFIT AND LOSS ACCOUNT

Note 7: TURNOVER

	Turnover in France	Turnover for export	31/03/2016	31/03/2015	Variation in K Euro	Variation in %
Sale of goods	15751	171	15 922	13731	2191	15,96%
Production sold goods	133 716	1 373	135 089	146 959	(11900)	-8,10%
Production of the services	451	274	725	855	(130)	-15,20%
TOTAL	149 918	1 818	151 736	161 957	(9 839)	-6,09%

Note 8: FINANCIAL INCOME

in K EUROS	FINANCIAL YEARS	
	2015-2016	2015-2016
Other interests and similar income	0	11
Write-backs of provisions and transferred expenses	157	
Deferred positive exchange differences	9	12
Total of financial incomes	166	23
Financial depreciation, amortisations and provisions	0	(1 749)
Interests and similar charges	(1 121)	(1 752)
Deferred negative exchange differences	(6)	(4)
Total of financial incomes	(1 227)	(3 505)
TOTAL	(1 061)	(3842)

Note 9: EXTRAORDINARY INCOME

in K EUROS	FINANCIAL YEARS	
	2015-2016	2014-2015
Non-recurring income on management operations	35	114
Non-recurring income on capital transactions	0	35
Write-backs of provisions and transferred expenses	1 262	1 312
Total of extraordinary incomes =	1 297	1 461
Non-recurring charges on management operations	(16)	(10)
Non-recurring expenses on capital transactions	0	(35)
Non-recurring depreciation and provisions		0
Total of extraordinary charges =	(16)	(45)
TOTAL	1 281	1 416

The detail of the extraordinary income is broken down as follows:

	In KEUR
- Recovery for depreciation on tangible assets	1 262
- Cash on amortized receivables and payables balances old customers	15
- Other net charges and various incomes	4
TOTAL	1 281

Note 10: EMPLOYEE PROFIT SHARING

The profit sharing under the law, the income of the 2015-2016 financial year failed to reach a profit sharing in the benefits of growth.

Note 11: TAX ON THE INCOME

The accounting profit on 31st March 2016 is increased to € 3,061 K and taxable income to - 3971 K €

Elements may be liable to cause increases and debt relief future Taxes:

in K EUROS	Weight reduction	Increase
• Balance of non-deductible provisions which will become in 2016 and later	701	
• Non deductible charges in 2015 and deductible in 2016 and later	61	
• Loss carry forwards on 31st March 2015	67297	
Total =	68 059	0

Future tax revenue at 34.43% 23 435

Note 12: BREAK DOWN OF THE TAX BETWEEN PROFIT TAX AND EXTRAORDINARY TAX

in K EUROS	Result Before tax	Tax payable	Net profit
Profit before tax and extraordinary items	(4 342)	0	(4 342)
Extraordinary income	1 281	0	1 281
Participation	0	0	0
Provision for the tax	0	0	0
Additional tax	0	0	0
TOTAL	(3061)	0	(3061)

OTHER INFORMATION**Note 13: TRANSACTION WITH THE RELATED PARTIES**

During the financial year 2015-2016, the Company has not made any important transactions with related parties, all the transactions have been concluded under normal market conditions.

Note 14: ITEMS OF THE BALANCE SHEET OF THE RELATED COMPANIES

in K EUROS	Related companies	
	2014-2015	2013-2014
Debts		
• Clients receivables and related accounts	234	668
• Other operating receivables	71	770
• Other non operating receivables	402	258
•		
Debts		
• Sundry borrowings and financial debts	(15013)	(37018)
• Debts to suppliers and related accounts	(8 468)	(12 013)
• Other operating debts	(1)	0
• Amounts payable on fixed assets and related accounts	0	0
Net total of the items of the balance sheet regarding the concerned companies	(22 775)	(47 335)

Note 15: EXPENSES AND FINANCIAL INCOMES REGARDING THE RELATED COMPANIES

in K EUROS	Related companies	
	2015-2016	2014-2015
Financial expenses	(1 152)	(1 685)
Interests and similar charges		
Financial income	0	0
Other interests and similar income		
Total expenses and financial income	(1 152)	(1 685)

Note 16: OFF BALANCE SHEET FINANCIAL COMMITMENTS

in K EUROS	Related companies	
	2015-2016	2014-2015
• Deposits and guarantees	72	72
• Non-receivable discounted	0	0
• Rents remaining to be paid	2 043	2 072
• Liabilities received	650	750
Total	2 765	2 894

Deposit Estate signed in September 2013 for the rental of Corbeil plant and premises known as the registered office, 1 rue Fernand Raynaud is initiated by the Royal Bank of Scotland for an amount of € 72,414.

** Guarantee letters received from our customers Cevital SPA for € 600k and € 50k for AIMM .

Note 17: STAFFS

Distribution of the staffs on 31st March 2016	2015-2016	2014-2015
Executives	25	27
Mastery	5	5
Workers	59	58

Employees	21	20
Apprentices	0	0
	110	110

Average salary of the staffs

109

106

The volume of hours remaining individual rights for the training is increased to 11,219 hours to 31st March 2015

Note 18: COMPENSATION OF THE SENIOR MANAGERS

Remuneration paid to members

- of the board of directors 0
- Management of the organisation

The remuneration of the executive bodies is not provided because this would lead indirectly to indicate individual remuneration.

Note 19: SCOPE OF THE CONSOLIDATION

Tata Steel France Holdings detains as on 31st March 2016 a 100% share or all of the shares in the capital of Unitol SAS.

Tata steel France Holdings SAS itself being held 100% by Tata Steel Nederland BV (Netherlands).

Tata steel Nederland BV (Netherlands) being detained itself 100% Tata Steel Holdings Ltd (UK)

Tata steel UK Holdings Ltd (UK) is held itself at 100% by Tata Steel Europe Ltd. (UK)

Tata steel Europe Ltd (UK) is held itself at 100% by Tata Steel to Mumbai. India)

The company's accounts are consolidated within the company Tata Steel in Mumbai (India).

Note 20: LITIGATIONS

Industrial tribunal litigation involving four former employees is pending at the end of the year and do not give rise to recognition of provisions and liabilities, the company considering the unfounded claims.

LIST OF ASSOCIATES

<i>Denomination</i>	<i>Capital</i>	<i>Q.P. held</i>	<i>Val. securities</i>	<i>Gross</i>	<i>Advances, loans</i>	<i>Sales/Turnover</i>
<i>Registered office:</i>	<i>Own capitals</i>	<i>Divid. cashs.</i>	<i>Val. Net securities</i>	<i>Val. Net securities</i>	<i>Cautions</i>	<i>Result</i>
Degels GmbH	80 000	100,00%	1 592 000			86 114 968
41460 Neuss-Germany	(4 101 491)					(3 944 038)

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.