

ANNUAL REPORT

**Tata Steel Norway
Byggsystemer AS**

01.04.2014-31.03.2015

Board's Annual Report 2014/15

Tata Steel Norway Byggsystemer AS

AREA OF ACTIVITY

Tata Steel Building Systems Norway AS manufactures steel building systems (profiled steel plates). Production takes place in Skien, Norway. In addition to production facilities in Skien, the company has sales offices in Trondheim and Oslo.

CONTINUED OPERATION

The annual accounts have been prepared on an ongoing operation basis. The basis for this assumption is profit forecast for 2015/16 and subsequent year.

WORK ENVIRONMENT AND EMPLOYEES

Sickness absence in the company amounted to 1,634 hours in 2014/15 (1.649 hours in 2013/14), which accounted for 2.57% (2.74% in 2013/14) of total working hours.

The working environment is considered good, and based on the ISRS systems to the Norwegian Veritas and Tata Steel's own H & S Management System, efforts for improvements are implemented on a regular basis.

No occupational accidents registered during the year 2014/15.

ENVIRONMENTAL REPORT

Emissions from the production, including substances that may involve environmental damage are within the requirements set by the authorities.

The company's operations are not regulated by licenses or restrictions.

GENDER EQUALITY

The Company has established procedures to prevent discrimination based on gender. Of the company's 34 employees, 9 are women. The Board consists of two men and two woman.

RESULT, INVESTMENTS, FINANCING AND LIQUIDITY

The company's turnover was 195 million in 2014/15. The result was a profit of 3.293.658,- (profit of NOK NOK 8.784.609,- i 2013/14).

Turnover and margins declined slightly due to several players on the market and lower activity around the company products. Cost of goods sold during the year was negatively affected by the significant exchange rate changes. Operation and costs are adapted to the activity in the construction industry. The Board also expects a positive result for 2015/16.

Total cash flow from operations in the company was NOK 6.2 million and operating profit of the company amounted to NOK 4 million.

The Company's cash position was of 20.4 million NOK as per 31.03.2015. The Company has an undrawn credit facility with Fokus Bank of 3 million NOK. Liquidity is satisfactory.

ANNUAL PROFIT AND DISPOSAL

The Board of Directors proposes the following appropriation of profit in Tata Steel Building Systems Norway AS.

Other equity	NOK 3.293.658,-
Total disposed	NOK 3.293.658,-

There have been no events after the end of the year that can be significant for the assessment of the financial statements.

Styret mener at årsregnskapet gir et rettviseende bilde av selskapet sine eiendeler og gjeld, finansiell stilling og resultat. The Board believes that the annual report gives a true and fair view of the company's assets and liabilities, financial position and results.

MARKET RISKS AND FINANCIAL RISKS.

Market risks

The Company's use of steel as a raw material means - due to the significant changes in price existing on the market - a particular risk since the price can not be fully included in the price of the finished products.

Currency risks

The Company's foreign transactions means that earnings and cash flow are affected by the exchange rate development for selected currencies. The Company's currency policy must cover commercial exchange risk in Euro. Covering is made through currency term agreements.

Liquidity risk

The company's liquidity is considered good, and it is not decided to introduce any measures to change The liquidity risk.

Credit risks

The Company's sales are mostly by credit, upon which the Company is exposed to credit risk. The Company has no significant risk regarding major individual customers or other business partners. The Company's policy for accumulating credit means that all customers and partners are regularly credit checked. It is a Company policy to ensure outstanding parties are credit worthy to a major extent.

FUTURE DEVELOPMENT

Expectations for 2015/16 is that the Company expects to maintain its position. The market outlook is expected to improve, but with a slow growth.

Through association with Tata Steel Building Systems Nordic, the Company has secured access to the products and expertise, which puts the company in a strong position on the Norwegian market.

Based on the above, the Board considers the outlook for Tata Steel Building Systems Norway AS as good.

Skien, 23. June 2015

Tata Steel Norway Byggsystemer AS

Income Statement

NOTE OPERATING INCOME AND COSTS	01.04.2014- 31.03.2015	01.04.2013- 31.03.2014
2, 10 Sale Income	195 308 017	215 752 323
Other Operating Income	<u>34 000</u>	<u>0</u>
Total Operating Income	<u>195 342 017</u>	<u>215 752 323</u>
10 Cost of goods sold	149 210 147	161 383 924
3, 9 Wage costs	21 120 195	22 074 643
4 Amortization of tangible and intangible assets	428 805	276 742
3, 4, 10 Other operating costs	<u>20 624 602</u>	<u>20 258 732</u>
Total Operating Costs	<u>191 383 749</u>	<u>203 994 040</u>
Operating Profit	<u>3 958 268</u>	<u>11 758 282</u>
FINANCIAL INCOME AND STATEMENT		
10 Other Interest income	558 482	409 063
Other financial income	16 897	14 308
Other interest costs	11 680	49 608
Other financial costs	<u>4 767</u>	<u>10 928</u>
Net financial profit	<u>558 931</u>	<u>362 835</u>
Net Annual profit before tax	<u>4 517 199</u>	<u>12 121 117</u>
11. Tax	<u>1 223 541</u>	<u>3 336 508</u>
Profit for the year	<u>3 283 658</u>	<u>8 784 609</u>
TRANSFERS		
8 Allocated to other party	<u>3 293 658</u>	<u>8 784 609</u>
Total transfers	<u>3 293 658</u>	<u>8 784 609</u>

Tata Steel Norway Byggsystemer AS

Balance sheet as per March 31st

NOTE	ASSETS	2015	2014
	Fixed assets		
	Intangible assets		
11	Deferred tax assets	<u>592 246</u>	<u>614 344</u>
	Total Intangible assets	<u>592 246</u>	<u>614 344</u>
	Tangible assets		
4	Land, buildings and other real estate	233 349	316 927
4	Machines and facilities	1 209 888	1 203 856
4	Movables, inventories, tools, office equipment etc.	12 591	34 177
	Total tangible assets	<u>1 455 828</u>	<u>1 554 960</u>
	Total fixed assets	<u>2 048 074</u>	<u>2 169 304</u>
	Current assets		
	Goods	<u>18 012 155</u>	<u>20 470 325</u>
	Receivables		
10	Accounts receivable	23 796 255	28 691 210
6, 10	Other receivables	<u>13 635 487</u>	<u>17 404 125</u>
	Total receivables	<u>37 431 741</u>	<u>46 095 335</u>
13	Bank deposits, cash and similar	<u>20 351 955</u>	<u>10 433 568</u>
	Total current assets	<u>75 795 851</u>	<u>76 999 228</u>
	TOTAL ASSETS	<u>77 843 925</u>	<u>79 168 533</u>

Tata Steel Norway Byggsystemer AS
Balance sheet as per March 31st

NOTE EQUITY AND DEBTS	2015	2014
Equity		
Combined equity		
7, 8	Share capital (2440 shares a NOK 500)	<u>1 220 000</u>
	Total contributed equity	<u>1 220 000</u>
Accrued equity		
8	Other equity	<u>45 383 492</u>
	Total accrued equity	<u>42 089 834</u>
	Total equity	<u>46 683 492</u>
Debts		
Short term debts		
10	Supplier debts	17 277 053
11	Payable tax	2 914 658
	Public duties	2 415 851
10.12	Other short term debts	<u>8 632 872</u>
	Total short term debts	<u>31 248 433</u>
	Total debts	<u>35 858 699</u>
	TOTAL EQUITY AND DEBTS	<u>77 843 925</u>

Skien, June 26th 2015

Board of Tata Steel Norway Byggsystemer AS

Anders Ivursson
Chairman / Manager

Nina Merete Auestød
Board Member

Tata Steel Norway Byggsystemer AS

CASH FLOW STATEMENT

	01.04.2014- 31.03.2015	01.04.2013- 31.03.2014
CASH FLOW OPERATING ACTIVITIES:		
Ordinary results before tax	4 517 199	12 121 117
Paid tax for the period	-2 338 609	-3 450 548
Ordinary depreciations	428 805	276 741
Loss / Gains on sale of fixed assets	-34 000	0
Changes in goods	2 458 170	7 862 478
Changes in accounts receivables	4 894 955	-4 445 609
Changes in supplier debts	-4 389 253	-9 419 808
Changes in other current assets and other debits	<u>682 964</u>	<u>6 546 172</u>
Net cash flow from operating activities	<u>6 220 231</u>	<u>9 490 544</u>
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Proceeds from sale of fixed assets	34 000	0
Payment for purchase of tangible assets	<u>-329 674</u>	<u>-331 027</u>
Net cash flow from investment activities	<u>-295 674</u>	<u>-331 027</u>
CASH FLOW FROM FINANCIAL ACTIVITIES:		
Payment of Short term Group loan	-13 006 172	-17 000 000
Proceeds of Short term Group load	<u>17 000 000</u>	<u>0</u>
Net cash from financial activities	<u>3 993 828</u>	<u>-17 000 000</u>
Net changes in bank deposits, cash and similar	9 918 385	-7 840 483
Inventory of bank deposits, cash and similar as per 01.04.	<u>10 433 568</u>	<u>18 274 051</u>
Inventory of bank deposits, cash and similar 31.03.	<u>20 351 955</u>	<u>10 433 568</u>

Tata Steel Norway

Notes for the accounting 01.04.2014 - 31.03.2015

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Accounting Act of 1998 and generally accepted accounting principles in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Debtors due within one year are classified as current assets. For the classification of current and non-current liabilities the same criteria are used.

Current assets are valued at the lowest purchase cost and net real value.

Fixed assets are stated at cost and impaired to its recoverable amount if this is lower than the accounted value and the impairment is expected to be temporary. Fixed assets with a limited useful life are systematically depreciated.

Other long-term liabilities and current liabilities are stated at nominal value..

Assets and liabilities in Foreign currency

Monetary items denominated in foreign currencies are converted according to today's rate

Leases

Assets leased under terms that transfer substantially all the risks to the company (finance leases) are capitalized under fixed assets and associated lease obligations included as liabilities under interest-bearing liabilities at the present value of the lease payments. The asset is depreciated or amortized, and the liability is reduced by lease payments less the effective interest cost..

Goods

Goods are valued at the lowest purchase cost according to the FIFO-method and net realizable value. For raw materials and work in progress, net sales value is estimated to the sales value of finished produced goods less remaining production costs and sale expenses. Manufactured goods are valued at the lowest of full production cost and net real value.

Revenue

Upon sale of goods:

Revenue is accounted when earned, ie when both risk and control have been transferred to the customer. This would normally be the case when product has been delivered to the customer. Revenues are accounted at their value on the transaction date

Upon sale of services:

Revenue is accounted when earned, ie when a claim for compensation arises. This happens when the service is provided, along with the work being performed. Revenues are accounted at their value on the transaction date..

Receivables

Accounts receivable and other receivables are stated at nominal value less a provision for doubtful debts. The provision is made on the basis of an individual assessment of each receivable.

Bank deposits, cash and cash equivalents

Bank deposits, cash and cash equivalents include cash, bank deposits and other monetary

instruments with a maturity of less than three months..

Warranties and service work

When selling, the entire sale price, including the part related to future warranty and service benefits, is taken on the date of sale. There is a provision for future warranty and service benefits.

Pensions

Deposit plans are accrued according to the compilation principle. The annual pension deposit plan is expensed.

Costs

Costs are in general accounted during the same period as the related revenue. In those cases where there is a clear relationship between spending and revenue, the distribution is set according to discretionary criteria. Other exceptions to the compilation principle are provided where applicable.

Taxes

Taxes expenses are calculated with accounting result before tax. Tax related to equity transactions is recognized in equity. Tax expenses comprises current tax (tax on direct taxable income) and changes in net deferred tax. Deferred tax assets and deferred tax benefits are net presented in the balance sheet.

Use of estimates

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the income statement and the valuation of assets and liabilities and disclosure of contingent assets and liabilities on the balance sheet date.

Contingent losses that are probable and quantifiable are expensed as incurred..

The cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term investments.

Note 2 Sales revenue

Per area of activity:	01.04.2014- 31.03.2015	01.04.2013- 31.03.2014
<i>Construction</i>	30 444 701	29 111 977
<i>Project</i>	88 298 849	99 083 897
<i>Wholesale</i>	60 594 207	64 434 962
<i>Internal sales</i>	15 970 260	23 121 488
Total		195 308 017
215 752 323		
	01.04.2014- 31.03.2015	01.04.2013- 31.03.2014
<i>Per geographical area:</i>		
<i>Norway</i>	176 479 005	192 511 010
<i>Sweden</i>	15 126 954	18 634 388
<i>Other land</i>	3 702 058	4 606 925
Total		195 308 017
215 752 323		

Note 3 Wage expenses, number of employees, remuneration, loan for employees, etc.

Wage expense	01.04.2014- 01.04.2013-	31.03.2015 31.03.2014
<i>Wages</i>	16 526 342	17 690 681
<i>Payroll taxes</i>	3 021 355	2 748 618
<i>Pension costs</i>	1 204 367	1 117 500
<i>Other benefits</i>	368 131	517 844
Total		21 120 195
22 074 643		

Number of employees employed during the financial year	34	33
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Manager is employed by the sister company Tata Steel Denmark Byggsystemer AB
 No wages or other remuneration is paid to the manager or other members of the Board
 No loan or securities granted for members part of the management.

Auditor

Remuneration to Deloitte AS and cooperating companies is as follows:

	01.04.2014- 31.03.2015	01.04.2013- 31.03.2014
Statutory audit	151 000	147 000
Audit related consulting	24 630	22 272
Tax consulting	23 840	21 750
Other attestation Services	7 140	

All amounts are exclusive of VAT.

Note 4 Tangible assets

	Buildings and fixtures	Machines and facilities	Movables, inventories, tools	Total
Purchase cost 01.04.2014	1 227 208	14 346 663	3 929 721	19 503 592
Access purchased assets	-	329 674	-	329 674
Deviations	-	-185 667	-	-185 667
Purchase cost 31.03.2015	1 227 208	14 490 670	3 929 721	19 647 599
Annual depreciations and impairments	83 578	323 641	21 586	428 805
Acc. Depreciations and impairments	993 859	13 280 781	3 917 129	18 191 769
Accouted value as per. 31.03.2015	233 349	1 209 888	12 591	1 455 828

Economic longevity Depreciation plan 10-25 Yearr lineær 3-10 Years lineær 3-10 Years lineær

Annual loss of non balanced assets-	3 963 249	1 158 881	37 439	5 159 569
Duration of lease agreements	Until 2016			
	Agreed for 10 years.	5 Years	5 Years	

Note 5 Goods

	31.3.2015	31.3.2014
Raw materials	13 537 637	16 387 445
Goods under production	2 078 331	1 643 268
Finished goods	589 665	648 103
Commercial goods	1 806 523	1 791 509
Total		18 012 155
20 470 325		

Note 6 Other receivables

	31.3.2015	31.3.2014
Prepaid expenses	623 315	404 125
Receivables from group companies	13 006 172	17 000 000
Other receivables	6 000	-
Total	13 635 487	17 404 125

Note 7 Share capital and shareholder information

The share capital of the company as per 31.03.2015 is classified according to the following:

	Amount	Nominal	Book kept
A - Shares	2 440	500	1 220 000
Total	2 440	500	1 220 000

Ownership structure

De største aksjonærene i selskapet pr 31.03.2015 var:

	Shares	Ownership- l	Voting - share
Tata Steel UK Limited	2 440	100%	100 %
Total number of shares	2 440	100%	100%

The Company is included in the company group accounting of Tata Steel Limited, which may be obtained by contacting Tata Steel Limited, Bombay House, 24 Homi Mody Street, Fort, Mumbai, Maharashtra-400 001 or by downloading at www.tatasteel.com.

Note 8 Equity

	Share capital earned	Other equity	Total equity
Equity capital 01.04.2014	1 220 000	42 089 834	43 309 834
Annual results	-	3 293 658	3 293 658
Equity 1 31.03.2015	1 220 000	45 383 492	46 603 492

Note 9 Pension expenses

The Company is liable to have an occupational pension schedule according to regulations of mandatory occupational pension, and does have a pension schedule that meet the requirements of such regulations.

There are total 34 people included in such schedule and the costs amount to 1, 204 367 NOK in the annual report.

Note 10 Transactions and outstanding accounts with parties below

Agreements and transactions between related parties are based on arm's length principle.

Results of the transactions made with the parties are given below:

Transaction-Group	Belongs to result line	Counterparty	Relation to counterparty	01.04.2014-31.03.2015	01.04.2013-31.03.2014
Oper. revenue	Sales revenue	TS Denmark Byggesystemer A/S	Sister company	619 597	3 367 413
Oper. revenue	Sales revenue	TS Sweden A B	Sister company	15 126 954	18 674 671
Oper. revenue	Sales revenue	TS Building Systems SIA	Sister company	53 853	931 972
Total operating revenue				15 800 404	22 974 056
Oper. revenue	Cost of goods	TS UK Ltd	Sister company	66 278 437	62 312 026
Oper. revenue	Cost of goods	TS BV	Sister company	18 255 257	145 498 432
Oper. revenue	Cost of goods	SAB Prfil BV	Sister company	8 603 000	6 754 521
Oper. revenue	Cost of goods	Kalzip GmbH	Sister company	574 039	121 431
Oper. revenue	Cost of goods	Fisher Profil GmbH	Sister company	-	183 134
Oper. revenue	Cost of goods	TS Strip Products Ijmuiden BV	Sister company	-	7 507 203
Oper. revenue	Cost of goods	TS Sweden AB	Sister company	7 115 301	1 629 431
Oper. revenue	Cost of goods	TS Denmark Byggesystemer A/S	Sister company	276 605	5 596 348
Oper. revenue	Other oper. costs	TS Denmark Byggesystemer A/S	Sister company	3 533 891	4 440 934
Oper. revenue	Other oper. costs	TS UK Ltd	Mother company	4 005 301	2 389 359
Total operating revenue				108 641 831	106 432 819
Income from interest		Other operating costs	TS Sweden AB Sister company		295 240
-					
Income from interest		Other operating csots	TS Begium Services N.V.Sister company		36 538
-					
Total interest income				331 778	-
Total					-92 509 649
				-83 458 763	

Other operating costs include, among other, administration, support, market and IT costs, as well as business development.

Outstanding accounts with the parties below

Counterpartt	Relation to Counterpart	Accounts receivable		Supplier debts	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
TS Denmark Byggesystemer A/S	Sister company	-	1 143 376	14 571	486 678
TS Sweden AB	Sister company	114 576	114 576	3 978 956	96 334
TS Building Systems SIA	Sister company	213 423	435 174	-	-
TS UK Ltd	Sister company	-	-	4 091 722	1 779 967
Kalzip GmbH	Sister company	-	-	-	124 360
TS BV	Sister company	-	-	2 359 264	2 933 062
SAB Profil BV	Sister company	-	-	478 966	505 270
TS UK Ltd	Morselskap	-	-	478 966	7 868 061
Total		327 999	3 208 657	10 923 479	13 793 732

Counterpart	Relation to counterpart	Other receivables		Other short term debts	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
TS Begium Services N.V	Sister company	-	17 000 000	-	-
TS Sweden Byggsystemer AB	Sister company	-	13 006 172	-	-82 094
	-				
TS Denmark Byggesystemer A/S	Sister company		-	-	164 851
	534 282				
TS UK Ltd	Mother company	-	-	772 000	977 000
Total		13 006 172	17 000 000	854 757	1 511 282

Note 11 Tax expenses

Annual tax expenses are calculated as follows:	01.04.2014- 31.3.2015	01.04.2013- 31.3.2014
Payable tax	1 201 443	2 952 869
Changes in deferred tax	22 098	347 997
Effect of changes in tax regulation and rates	-	35 642
Tax expenses	1 223 541	35 642

Reconciliation from nominal to actual tax rate:

Tax expenses are calculated as follows:	01.04.2014- 31.3.2015	01.04.2013- 31.3.2014
Annual profit before tax	4 517 199	12 121 117
Expected income tax according to nominal tax rate of (27%)	1 219 644	3 272 702
Tax effect on the following items:		
Other non deductible expenses	4 535	28 165
Other non taxable income	-635	-
Effect of changes in tax regulations and rates	-	35 642
Tax expenses	1 223 541	3 336 508
Effective tax rate	27,1 %	27,5 %

Specifications of temporary differences :

	31.3.2015	31.3.2014
Plant and equipment	-464 158	-541 406
Goods	4 535	-184 765
Receivables	-464 859	-636 176
Other accounting liabilities	-996 000	-913 000
Total	-2 275 347	-2 193 504
Net deferred benefit in the balance	592 246	614 344

Deferred tax assets are listed on the basis of future income.

Specifications of payable tax :

	31.3.2015	31.3.2014
Payable tax for the financial year 2012/2013	-	1 098 955
Payable tax for the financial year 2013/2014	1 713 215	2 952 869
Payable tax for the financial year 2014/2015	1 201 443	-
Total owed payable tax	2 914 658	4 051 824

Note 12 Other short term debts

	31.3.2015	31.3.2014
Warranty provisions	996 000	913 000
Holiday pay provision	2 622 310	2 339 332
Other provisions	229 490	2 072 736
Customer bonus provision	945 544	669 623
Debts to Group companies	854 757	1 511 282
Other cost provisions	2 984 772	739 406
Total	4 051 824	

Note 13 Bank deposits

Bank deposits, cash and cash equivalents include binding tax funds of NOK 527,077

Note 14 Warranties and mortgages

	31.3.2015	31.3.2014
Warranty set:	-	12454
Total	-	12454

To the Board of Directors of Tata Steel Norway Byggsystemer AS AUDITOR'S REPORT

Opinion on the financial statements

We have audited the financial statements of Tata Steel Building Systems Norway AS showing a profit of NOK. 3,293 658. The financial statements consist of the balance as per March 31st 2015 and the income statement and cash flow statement for the year ended as of this date, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to provide an opinion on the financial statements based on our audit. We conducted our audit in accordance with law, regulations and auditing practice in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial year.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Conclusions

In our opinion, the financial statements prepared in accordance with the law and regulations and give a true and fair view of the financial position of Tata Steel Building Systems Norway as of 31st March 2015, and the results and cash flows for the year then ended in accordance with Accounting Act regulations and generally accepted accounting principles in Norway.

Opinion on the matters*Opinion on the Annual Report*

Based on our audit of the financial statements as described above, we believe that the information in the Annual Report of the financial year, and the assumption of continued business operation and the proposal of using the surplus are consistent consistent with the financial statements and comply with laws and regulations.

Conclusion on Registration and documentation

Based on our audit of the financial statements as described above, and the procedures that we considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance engagements other than audits or simplified audit control of historical financial information," we mean that the Management has fulfilled its obligation to provide for proper registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway.

Skien, June 26th 2015

Deloitte AS

Espen Thorbjømsen

Certified auditor

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.