

TATA STEEL INTERNATIONAL IBERICA S.A.					
SMEs Profit and Loss Accounts for Fiscal Year ending as of March 31, 2016, and March 31, 2015					
(expressed in Euros)					
ASSETS	03/31/2016	03/31/2015	LIABILITIES	03/31/2016	03/31/2015
OPERATING EXPENSES	0.00	0.00	Net amount of business volume	3,180,011.81	3,586,790.55
PERSONNEL EXPENSES	1,290,823.09	1,505,752.21	Sales		
ENDOWMENTS FOR FIXED ASSET AMORTIZATIONS	6,090.19	4,677.07			
OTHER OPERATING EXPENSES	425,794.26	438,504.62			
EARNINGS FROM OPERATIONS	1,457,304.25	1,635,856.65			
FINANCIAL AND ASSIMILATED EXPENSES			FINANCIAL INVESTMENT EARNINGS	354.36	797.73
NET POSITIVE FINANCIAL EARNINGS	354.36	797.73			
EARNINGS FROM COMMON ACTIVITIES	1,457,658.61	1,636,654.38	EARNINGS FROM DISPOSAL OF INTANGIBLE AND TANGIBLE FIXED ASSETS AND CONTROL PORTFOLIO	0.00	0.00
LOSSES DERIVED FROM INTANGIBLE, TANGIBLE, FIXED ASSETS AND CONTROL INVENTORY	0.00	0.00	ADDITIONAL EXPENSES	1,034.75	11.20
ADDITIONAL EXPENSES	0.00	0.00	NET NEGATIVE ADDITIONAL EXPENSES		
POSITIVE ADDITIONAL INCOME	1,034.75	11.20			
INCOME BEFORE TAXES	1,458,693.36	1,636,665.58			
CORPORATE TAX	414,797.87	481,357.29			
OTHER TAXES	0.00	0.00			
FISCAL YEAR INCOME [EARNINGS]	1,043,895.49	1,155,308.29			

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(expressed in Euros)					
ASSETS	03/31/2016	03/31/2015	LIABILITIES	03/31/2016	03/31/2015
FIXED ASSETS	46,642.32	52,732.51	SHAREHOLDERS EQUITY	1,312,666.25	3,518,770.76
TANGIBLE FIXED ASSETS	18,306.42	24,396.61	SHARE CAPITAL	150,250.00	150,250.00
FINANCIAL FIXED ASSETS	28,335.90	28,335.90	RESERVES	30,053.64	30,053.64
			EARNINGS FROM PREVIOUS FISCAL YEARS	88,467.12	2,183,158.83
			PROFIT AND LOSSES	1,043,895.49	1,155,308.29
			DIVIDENDS IN ACCOUNTS DELIVERED IN FISCAL YEAR		
CURRENT ASSETS	1,571,577.93	4,140,850.89	PROVISIONS FOR RISKS AND EXPENSES	0,00	0,00
DEBTORS	964,088.22	4,047,126.34			
PROVISIONAL FINANCIAL INSTRUMENTS	0,00	0,00	SHORT-TERM CREDITORS	305,554.00	674,812.74
TREASURY	579,567.49	59,808.29	PROVISIONS FOR RISKS AND EXPENSES	0,00	0,00
ACCRUAL ADJUSTMENTS	27,922.22	33,916.26			
TOTAL	1,618,220.25	4,193,583.40		1,618,220.25	4,193,583.50

TATA STEEL INTERNATIONAL IBERICA S.A.

Annual Report 2015/2016

1. ACTIVITIES OF THE COMPANY

The British Steel España, S.A. company, incorporated on the 3rd of April of one thousand and ninety-five for an indefinite period has its corporate domicile in Madrid (28020), Rosario Pino 14-16 Street, whereas its corporate purpose is the purchase and sale acting as principal and representative of steel and related products with the provision of steel and of related services thereof.

On the 30th of January of one thousand and ninety-seven, this company change its corporate name to British Steel, S.A.

On the 2nd of March of 2000, this corporation changed its corporate name, and hereinafter, shall do business under the name of Corus Metal Iberica, S.A.

On April 1, 1997, Corus Metal Iberica S.A. started the activities of its subsidiary according to the agreements entered into by the Board of Directors of the Corporation on February 27, 1997. This subsidiary has been created with an allocation of 400,000 Portuguese Escudos (PTE) (1,999.15 Euros).

Pursuant with Additional Second Provision of Law 2/1995 of March 23 of Limited Liability Company which modifies the Consolidated Text of Business Corporation Law, the Corporation has been registered in the Mercantile Registrar as "Sole Proprietorship".

On June 28, 2002, the Shareholder's Board of Directors approved the redesignation of Capital in Euros, and the decrease of Share Capital that is constituted by 25,000 shares of value of 6 EUROS each one.

On October 25, 2007, the Shareholder's General Meeting approved with effects from January 1, 2008, to modify the start and end dates of the fiscal year.

Exceptionally, year 2008 has two fiscal years: the first of them begins on January 1, 2008, and ends on March 31, 2008, the second of them begins on April 1, 2008, and ends on March 31, 2009.

On April 28, 2011, this company changed its corporate name, and hereinafter shall do business under the name of TATA STEEL INTERNATIONAL IBERICA, S.A.

2. REPRESENTATION BASES

a) True image

The annual financial statements have been prepared based on the accounting record of the Corporation, and are presented according to the mercantile legislation in force, and with the regulations set forth in the General Accounting Plan, with the purpose to disclose a true image of the estate, the financial situation and the earnings of the Corporation.

Pursuant with the legislation in force, the information from Tata Steel International Iberica, S.A., and its subsidiary in Portugal is collected jointly.

b) pooling of records

For the purposes to facilitate the comprehension of the Balance Sheet, and the Profit and Loss Account, said financial statements are presented in a group format by presenting the analysis required in the corresponding notes of the Annual Report.

c) SME Annual Financial Statements format

In order to comply with the conditions set forth in Article 181.1 of Business Corporation Law, the administrator introduces the Annual Financial Statements in SME format.

3. DISTRIBUTION OF EARNINGS

a) Fiscal year earnings

The proposal of earnings distribution of fiscal year ending as of March 31, 2016 to introduce the Shareholder's General Meeting is the following:

In Euros

	31.03.2016
<u>Allocation basis</u>	
Earnings of fiscal year to be issued	1,043,895.49
<u>Distribution</u>	1,043,895.49
Voluntary unrestricted reserves	1,043,895.49
Dividends	
	<u>1,043,895.49</u>

4 ACCOUNTING CRITERIA

a) Intangible fixed assets

Tangible fixed assets are presented as valued at their acquisition cost, and they are amortized according to the following coefficients:

Personal Property	<u>%</u>
Transportation elements	10
Data processing	25
equipment	12.5

The improvements in existing commodities which prolong the useful life of the assets are capitalized. The financial expenses and exchange rate differences directly related with the tangible fixed assets, and accrued prior to their implementation are equally capitalized. The maintenance and retention expenses are charged to earnings at the moment they are incurred. The disposals and transfers are reflected at book value through the elimination of the element cost and corresponding accumulated amortization.

a) Provisions for pensions

The provision for pensions of employees of the Corporation has been outsourced, calculated based on the reports of a corporation specializing in this subject during the prior fiscal years

b) Profit tax

Income tax is recognized as an expense in each fiscal year based on the profits before taxes itemized in the annual financial statements, and corrected based on their permanent differences with fiscal criteria, and taken into account the applicable allowances and deductions.

The allowances and deductions in the tax rate, as well as the tax effect of the application of compensatory losses are considered as the decrease of the expenses for taxes in the fiscal year in which they are applied or compensated.

c) Income and expenses

The accounting of income and expenses has been reported in accordance with the accrual principle, in other words, based on the real flow of goods and services they represent, and irrespective of the time in which the monetary or financial flow they derive from is generated.

5.- TANGIBLE FIXED ASSETS

a) Tangible fixed assets

In Euros

Tata Steel International Iberica, S.A. Subsidiary

Cost	elements Transportation	Property				Total
		Personal	Data Equip.	Personal	Data Equip.	
Start Balance	0	32,396.10	31,308.57	54,932.35	31,216.44	149,853.46
Additions	0	0,00	0,00	0,00	0,00	0.00
Disposals	0	0,00	0,00	-40,285.14	-31,216.44	-71,501.58
Final Balance	0	32,396.10	31,308.57	14,647.21	0.00	78,351.88
Amortization						
Start Balance	0	21,684.49	17,667.98	54,887.92	31,216.44	125,456.83
Endowments	0	4,604.00	1,464.00	22,19	0,00	6,090.19
Disposals	0	0.00	0.00	-40,285.14	-31,216.44	-71,501.58
Transfers	0	0.00	0.00	0	0	0
Final Balance	0	26,288.49	19,131.98	14,624.97	0,00	60,045.44
Accounting						
Net Value						
Beginning	0	10,711.61	13,640.59	44.43	0	24,396.63
Final	0	6,107.61	12,176.59	22.24	0	18,306.44

6. SHAREHOLDER'S EQUITY

The movements reported in the financial statements including shareholder's equity during the fiscal years ending on March 31, 2016, and March 31, 2014, have been the following:

In Euros

	Capital	Reserves	Losses/Profits	Dividend to account delivered in fiscal year	Total
Balance as of March 31, 2014	150,250.00	822,021.24	1,391,191.23	0	2,363,462.47
Distribution of earnings		1,391,191.23	-1,391,191.23		0
Dividends					
Fiscal Year Earnings Transfer			1,155,308.29		1,155,308.29
Balance as of March 31, 2015	150,250.00	2,213,212.47	1,155,308.29	0	3,518,770.76
Dividend on account delivered in fiscal year					
Distribution of earnings		1,155,308.29	-1,155,308.29		
Dividends Transfer		-3,250,000.00			-3,250,000.00
Fiscal Year Earnings		1,043,895.49			1,043,895.49
Balance as of March 31, 2016	150,250.00	118,520.76	1,043,895.49	0	1,312,666.25

1a) Subscribed capital

The share capital, as of March 31, 2016, is composed of 25.000 shares of nominal value of 6 Euros each one.

All the shares constitutive of capital enjoy the same financial and political rights in proportion to the disbursed capital.

As of March 31, 2016, the shares of the corporation were the following;

<u>Shareholder</u>	<u>Shareholding</u>
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BRITISH STEEL NEDERLAND INT BV	100%
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b) Reserves

The movements reported in the financial statements included in reserves during the fiscal years ending on March 31, 2016, and March 31, 2014 have been the following:

In Euros			
	<u>Legal Reserve</u>	<u>Voluntary Reserve</u>	<u>Total</u>
Balance as of March 31, 2014	30,053.64	791,967.60	822,021.24
Income Distribution Dividends		1,391,191.23	1,391,191.23
Balance as of March 31, 2016	30,053.64	2,183,158.83	2,213,212.47
Income Distribution Dividends		1,155,308.29	1,155,308.29
Payment of dividends		-3,250,000.00	-3,250,000.00
Balance as of March 31, 2016	30,053.64	88,467.12	118,520.76

7. PROVISION FOR RISKS AND EXPENSES

During the period between April 1, 2015 to March 31, 2016, provisions for possible risks and expenses have not been provided.

8. CORPORATE TAX

The reconciliation between the accounting profit or loss, and taxable tax base applicable on Corporations is the following:

	In Euros		
	Increases	Decreases	
Net income of fiscal year			1,043,895.49
Corporate tax			414,797.87
Income before taxes			1,458,693.36
Provisional differences:			
-with source in current fiscal year	39,454.73	-183,561.43	-144,106.70
Domestic Taxable Base Compensation			0.00
Taxable Base (Taxable income)			1,314,586.66

The Income Tax in force of the fiscal year ending as of March 31, 2016, rises to the amount of 414,797.87 Euros.

The main applicable taxes of financial statements from the Corporation of fiscal years as of January 1, 2011, are pending an inspection. On the other hand, the main applicable taxes of financial statements from Tata Steel International Iberca, S.A., subsidiary in Portugal, of fiscal years as of January 1, 2011, are pending an inspection.

As a result, among other elements, the different interpretations of the legislation in force, may generate additional liabilities as a result of an inspection. In every case, all administrators consider said liabilities in case they are generated will not significantly affect the annual financial statements.

9. OTHER INFORMATION

As an extension of the information contained in this annual report, the following are some of the items of the expense accounts of the fiscal year.

a) Personnel expenses

Wages and salaries	992,744.18
Social Security Contributions	298,078.91

Total	1,290,823.09
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b) Compensation from administrators

The Corporation has under no circumstances not compensated administrators during the fiscal year ending on March 31, 2016.

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.