Tata Steel Germany GmbH
Düsseldorf
Consolidated financial statement for 31st March 2015
And group management report for the fiscal year, from 1st April 2014 to 31st March 2015

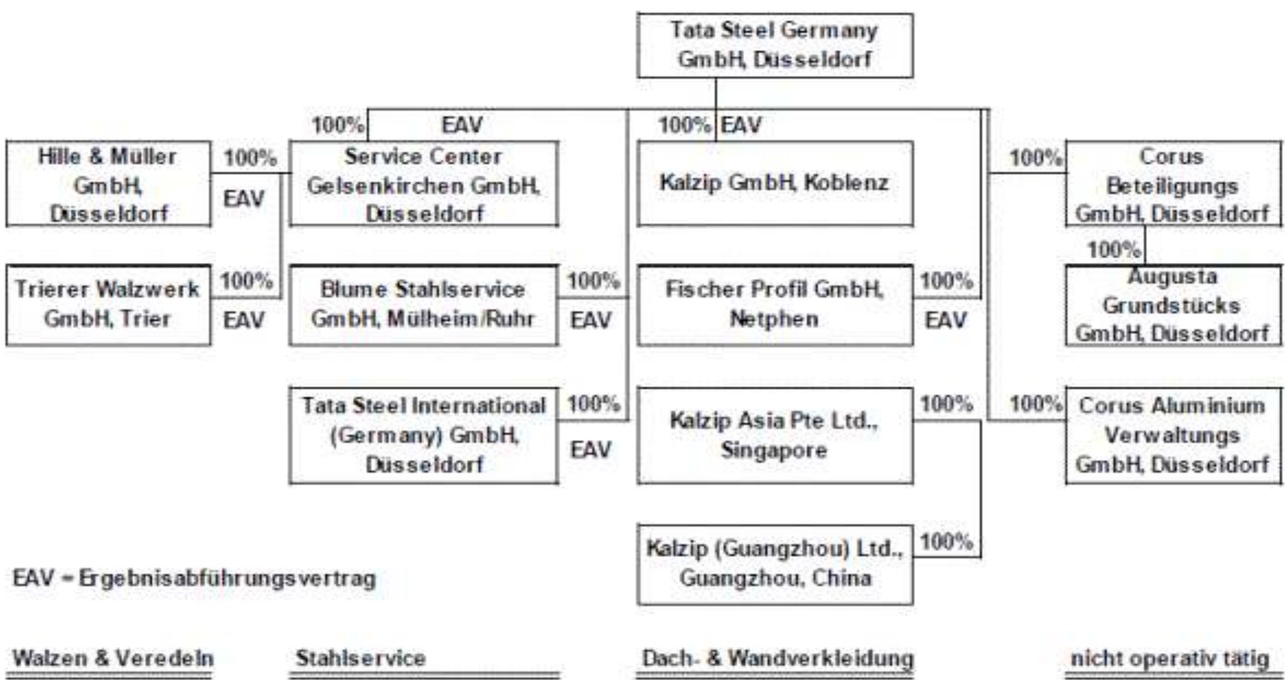
Group management report

I. Basis of the company

1. Business model of company

The Tata Steel Germany GmbH – hereafter TSG – is a 100% group company of Tata Steel Ltd., Mumbai/India. Sole partner is the Staalverwerking en Handel BV, Beverwijik/Netherland. The Tata Steel Ltd is listed on the stock exchange of Mumbai/India.

Various so-called “Business Units” are considered in the group of companies of German Tata-Steel-Germany-group. The structure of the company and the division of business fields of Tata-Steel-Germany-group are present, for 31st March 2015, as follows.



EAV – Profit- Loss transfer agreement

<u>Rolling and refine</u> <u>Steel service</u> <u>Roof & Wall covering</u> <u>not operational</u>

With economic effect dated 1st April 2014, all shares of Myriad Deutschland GmbH sales company was purchased by the Tata Steel International (Germany) GmbH, for T€ 377 and as a result both the companies were merged. The initial consolidation was done for 1st April 2014. Hereby business- or company value was determined as T€ 24; it is written of over 5 years of operating life. No essential effects ensue from the consolidation on the asset- financial- and earning situation, since it focuses on sales company, based on agency.

In the organization chart, the companies Degels GmbH, Neuss, (31st March 2014) and Burgdorfer Grundstücks GmbH, Düsseldorf,(28th March 2014), disposed off in the previous year, are no more included in the organization chart. The investments were deconsolidated in the previous year; the earnings and expenditures of both these companies, are however included in the consolidated profit- and loss account.

The Service Center Gelsenkirchen GmbH runs an operative steel service-center and reports to the business unit “Tata Steel Distribution Europe”. The automobile supplier industry is main customer of company.

Subsidiaries of Service Center Gelsenkirchen GmbH are the Hille & Müller GmbH and the Trierer Walzwerk GmbH. Organizationally, the Hille & Müller GmbH and the Trierer Walzwerk GmbH are integrated, into the “Tata Steel Plating business unit. The focus of business activity of Hille & Müller exists in the cold roll and electroplating of steel strip, at Düsseldorf site. The main customers of companies are in the battery, office and electrical industry sectors.

The focus of business activities of Trierer Walzwerk GmbH existed in the electroplating of cold strip, with copper, brass and zinc. The production of galvanized aluminum strip and as well as brass-plated and galvanized steel was hired, in the previous year. The production of remaining steel strip was hired for 31st December 2014. The asset of company was already disposed of/realized, up to 31st March 2015. In particular, this applies to the available property, land and building, in the assets of Hille & Müller GmbH.

The Blume Stahlservice GmbH is specialist, in the distribution of heavy plates (quarto plates) and warm rolled flat products and offers a vast horizontal and vertical steel program. The range of products comprises, in addition to quarto plates, also diverse warm broadband qualities in coils and sheets, which are used specially, for nowadays processing operation of laser production and as well as for processing quarto plates. The main customer sectors are steel- and metal construction, machine building, vehicle construction, earth moving machine building (Yellow Goods), ship building, wind tower industry and as well as tank- and plant construction.

In November 2013, at the Blume Stahlservice GmbH a vast restructuring of undertaking was notified. The operative business, at the warehouse locations in Hamburg, Zwickau and Stuttgart were completed, towards the end of previous year. The burner operation in Mülheim, Hamburg and Zwickau were hired. Further, the sales office in Hannover and the branch in Poland were closed. 54 workers are affected, directly by these measures.

The Tata Steel International (Germany) GmbH (including Myriad Deutschland GmbH), performs as sales agency, in the Stahlservice field. The Tata Steel International (Germany), GmbH belongs to the “Tata Steel International” business unit.

The Fischer Profil GmbH in Netphen-Deuz, is one of important manufacturer of components for roof and wall of industry and commercial buildings, in Europe. The essential product series are steel trapezoidal sheets, cassette profiles and sandwich elements with inner PUR-rigid foams.

Object of business activities of Kalzip GmbH, as well as of Kalzip Asia Pte Ltd and Kalpiz (Guangzhou) Ltd., is the production and sale of roof- and wall system, made of aluminum. Besides, other products are offered in the commercial transaction for the construction sector. The Fischer Profil GmbH and Kalzip-groups belong to the "Tata Steel Building Systems" business unit.

In the business sectors of Stahlservice as well as rolling and refining, the quality flat steels are obtained, predominantly from the sister plant, in Ijmuiden/Netherland. In the roof- and wall covering business sector, the procurement is mainly from third party suppliers.

The Corus Beteiligungs GmbH, the Augusta Grundstücks GmbH and the Corus Aluminum Verwaltungs GmbH are all no more operative. The Augusta Grundstücks GmbH hat disposed of its remaining property, by making a small profit in the fiscal year 2014/2015. The Corus Aluminum Verwaltungs GmbH is the partner for foreign investments of Kalzip GmbH.

2. Research and development

Basic research and development is operated, only at superior level of worldwide- Tata-group of companies. On the other hand, product- and machine development are done, at the local level of companies, in Germany. In general, these activities concentrate on further development of existing product series with the intention, to improve consequently the competitiveness.

II. Economic report

1. Macroeconomic and sector related frame conditions

The Euro zone implemented, in 2014 the turnaround and thereby a return with a positive growth rate. While Italy, Cyprus and Finland showed negative growth rates, the data from Great Britain, Spain and Germany are growth drivers, in the Euro zone. French economy grew moderately by 0.4%.

The German economy continued in 2014/2015, its gradual recovery. The adjusted GDP rose, in the first quarter of 2014, by 2.5%, afterwards the growth weakened from the spring, distinctly by 0.2%. The third quarter showed again a moderate rise of 0.1% and the last quarter, in 2014 ends wit a rise of 0.7%. On the whole, the German economy grew, in the calendar year 2014, according to the IMF by 1.5% (2013: 0.2%). The sanctions towards Russia, in the course of Ukrainian gas crisis stood, towards the end of calendar year, falling oil price, collapse of Eruo prices and lower interest rates confront, with the result that the German economy again resumed its impetus. Likewise, the GDP operates the private consumption, as a result of increased disposable incomes.

In Singapore and the so-called ASIAN-countries – Indonesia, Malaysia, the Philippines, Thailand and Vietnam – the growth of gross domestic products was stable at low level, respectively slightly decreased. These countries benefit from Chinese growth and expect for the period 2014-2017, an average annual growth of 7%.

In China, the economic growth is slight decreased. The gross domestic product changed, for the previous year by + 7.4% (previous year +7.7%); the increase showed the lowest rate since 25 years. China expected further a moderate growth, which distinctly increased the international competitive pressure; this in particular in the steel sector.

The production of crude steel has expanded, in Germany in the calendar year 2014, by 1% to 42.95 Million, whereby capacity utilization is to be seen, as high in Germany in the international comparison. However, this lies with current 86%, still below the long term mean value of 89%. Notwithstanding, the situation of company remain difficult, due to disparity between volume market on one side and economic situation of company, in the context of structural crisis on the EU-steel market on the other side; thus the demand for steel has increased all over Europe, indeed by 3%, the EU-market remains with a volume of 145 million. Tones of rolled steel around 10% within the level of 2011.

Correspondingly, the economic frame conditions for the steel industry remained extremely difficult due to recession in parts of Europe and high competition intensity, at the European market, the excess capacities on market (in particular in China), the falling price (also caused by the severe fall in ore price), the worldwide economic dip and the low demand burden further. In south Europe, little steel is sold due to subdued construction activity and even the automobile industry demands less. The companies step sector wise, in view of partial red figures, on the cost brake, cut jobs and redevelop their company structure.

The fiscal year 2014/2015 showed a fresh return of construction activities of public sectors, in German market relevant for the Kalzip-groups and following thereby the previous years 2012/2013 and 2013/2014. Although parallel to it, the privately financed industrial construction sector level off, slightly below previous-financial crisis-level. In the western European, the markets linger at all-time low, in Italy, Spain, BeNeLux and Greece. The construction work in France stabilized at approx 85% of previous-financial crisis- level. The European markets of construction industry remained, even in the fiscal year 2014/2015 further volatile than prior to the crash.

2. Human resources

In the fiscal year 2014/2015- averagely- 987 workers were employed – excluding apprentices (previous year: 1,045), which are split as follows:

Commercial workers	497 (previous year: 530)
Staff	490 (previous year: 515)

The return of number of workers result, essentially from the sale of Degels GmbH, dated 31st March 2014 and as well as the initiated restructuring measures of previous years; on the contrary, the number of workers in the Service Center Gelsenkirchen has risen, based on new hall and plant.

Health and security is of high priority in the Tata-Steel-Germany-Group. Correspondingly, the Tata-Steel-Germany-Group shows an attractive performance, in the non-financial performance indicator, under the heading “Work- and health policy”. Key figures like number of workers, work or training hours, in monthly so-called “Health & Safety Reports” are included within the non-financial performance indicators. Thereby, the key figure “Accidents with downtimes” (LTI) is essential non-financial performance indicator. Under this key figure, three accidents are recorded, in the fiscal year 2014/2015 (previous year: one accident). Work also continues by investments and training as well as external audits, to secure the positions and to minimize the accidents with downtimes. Thus, for e.g. the Hille & Müller GmbH was certified by TÜV again for 3 years, in the work safety-, energy- and environment management sector, in Autumn 2014.

3. Environmental issues

In the environmental investments field, in particular in the previous year the completion of investment in a cogeneration plant is to be mentioned at the Hille & Müller GmbH, which has almost halved the CO_2-emission.

In the environmental protection field, checking of environmental management system (so called "Environment-audits") were completed, at various sites of Tata-Steel-Germany-Group, without complaints. At few sites it is without any performance-based environmental risks. To the extent known, all plants and establishments fulfill the legal environmental protection demands. Besides, there are no environmental demands or issues, specific to company.

4. Other important operations in the fiscal year 2014/2015

At the Trierer Walzwerk GmbH, after adjusting the production of galvanized aluminum strip and as well as brass-plated and galvanized steel, the remaining production of copper plated steel strip was adjusted, for 31st December 2014 and afterwards by settling the assets of company and here began, in particular the stock quantity. For 31st March 2015, the settlement of assets and debts advanced further; in the reporting year new restructuring- and decommissioning costs accrued, in particular for workers.

At the Kalzip GmbH, as part of restructuring initiative for profit improvement, a company agreement was made on 17th March 2015 on the reconciliation of interests and social plan, with a maximum staff reduction of 23 full time jobs, via various measures like voluntary termination of agreement, release of employees approaching retirement and compulsory redundancies. The restructuring costs of round € 1.6 million relate, in particular to personnel costs.

In June 2014, a restructuring was decided for the Kalzip in China and Singapore. Afterwards, both sites reduced staff and the production in china was adjusted.

The Service Center Gelsenkirchen GmbH has expedited the expansion of Gelsenkirchen site and further the installation of new FIMI-splitting plant, in the fiscal year 2014/2015. The grand opening was done, finally on 27th June 2014. The investments were done partially by borrowing, in the reporting year. Other project costs of around € 4.5 million (statement under the other items of assets), are financed in advance by the German Cash-Pool and are sold in the coming fiscal year and leased back.

The Fischer Profil GmbH has claimed, in March 2015 for a guarantee, in favor of non-consolidated Corus Building Systems Bulgaria A.D, amounting to € 1 million. Since the casual loss situation for this, existed already for 31st March 2014, has formed a provision for this situation in the fiscal year 2013/2014.

The company audit for the years 2009 to 2012 has begun in Summer 2013. Presently, there are no reliable results.

5. Business trend

Following changes have resulted, based on closure of plants in contrast to the previous year, in the product and assortment policy of various business field, in the fiscal year 2014/2015: At the Trierer Walzwerk GmbH, the production of copper plated steel strip was adjusted. On the other side, the Service Center Gelsenkirchen has put the development of site and installation of new FIMI in operation, in June 2014. The Stahlwerk belonging to the

Steel-Europe-Group, in Ijmuiden/Netherland had opened a new production series, in September 2014 for the manufacture of high quality steels for the automobile sector and other markets. Hereof we expect better sales possibilities for the future.

The steel price have sunk almost continuously, in the fiscal year 2014/2015 and contributed to a significant reduction in sales and besides caused windfall losses.
The companies included in the consolidated financial statement show the German sales channel, for the resident production plant of Tata-Steel-Europe-Group. Our essential performance indicators are sales volume, sales EBIT and the cash flow from current business activity

Following are the effects of fiscal year, shown per company.

The automobile market relevant for the Service Center Gelsenkirchen GmbH developed in the fiscal year 2014/2015, positively on the home market. The sales have risen by around 4%, as against the previous year. The rise in the sales quantity of above 7% was hereby overcompensated by the continuous drop in prices. The soled quantity remained significantly behind our expectations; in particular this was caused by the delayed commissioning of FIMI-split plant. The margin could be improved slightly; but this key figure is affected, as in previous year by the development and the commission of new hall. The negative result turned out to be less than, in the previous year this is caused, partially by non-capitalizable expenses, in connection with the production expansion and commissioning and as well as preparatory recruitments.

The restructuring notified at the Blume Stahlservice GmbH, in November 2013, by closing site and reducing staff, is the essential reason for the decline in sales, in the fiscal year, by 20%. The prices are declining due to the reduced value-added and renunciation of especially small customers and appropriate to industry, so that a sales decline of 24% was to be recorded. Likewise, the margins have sunk, due to reduced value added and renunciation of viable small customers. Based on the decline in quantity, the gross profit has sunk significantly and the negative operative result has worsened further. The absolute loss in 2014/2015 compared to previous year, turned out to be less, since the previous year was burdened with restructuring costs.

At the Fischer Profil GmbH the sales volume existed 3.7% lower than the previous year and decline in price is 6.6%. The simultaneous margin pressure, at relatively sable cost level, resulted negatively by worsening the company still further.

The fiscal year 2014/2015 of Kalzip GmbH was again characterized by a decline in construction activities of public sectors, in Germany and a lower demand level in Europe. Although parallel to it, the privately financed, German industrial construction sector level off, slightly lower than pre-financial crisis, Kalzip so far could not derive the planned economic benefit. This is due to the fact that the high quality aluminum-product applications of Kalzip are not sufficiently attractive for simple industrial buildings. Newly developed product shows, initially positive result. The sales could rise by 17%, in the fiscal year with significantly rising expenses, so that the operative result is negative, without any change. In October 2014, the works council was informed on the lasting negative development and have entered into negotiation on social planning, relating to reduction of 23 full time positions, which was completed in March 2015. The result for 31st March 2015 is hence burdened, additionally with restructuring costs of T€ 1.6 million.

In June 2014, a restructure was decided for the Kalzip, in China and Singapore. After that both sites reduced staff and the production in China was adjusted. The measures were completed, to the greatest possible extent up to 31st

March 2015. The measure has resulted in having the sales, to poor margin and one time expenses of € 1.7 million. The significant deficit of previous year has once risen, due to adjustments.

At the Hille & Müller GmbH, the fiscal year 2014/2015 was similarly weak, in the capacity, as the previous year and all concerns remained behind the expectations. Generally, the sale was with approx. 47 thousand tones, slightly less than previous year. The markets, in particular the core market for battery, have recovered scarcely, as against the last year. The overall performance has risen slightly, correspondingly even the expenses. It has shown a positive result, due to gains from the sale of fixed assets made as balance at the company and used by the Trierer Walzwerk GmbH.

The active business operation of Trierer Walzwerk GmbH was completed by 31st December 2014 and has begun with the sale of assets. Since the assets were already depreciated, in the previous year, here there is no additional expense. Possibly, higher restructuring-/ closure costs of € 1.2 million have resulted in slight deficit.

In the fiscal year 2014/2015, the Corus Building Systems NV, Duffel/Belgium was liquidated. Hereby, a little profit and inflow of liquidity was drawn.

Thereby, the fiscal year 2014/2015 has remained significantly behind our sales-, turnover- and result expectations. The resulting peculiarities on this are explained as above. The cash flow from the current business activity was, in particular negative, due to bad profit situation.

6. Situation of the group

Profit situation

During the fiscal year 2014/2015, the steel market has developed, considerably. The sales development, on the whole is shown as follows:

	01.04.2014 to 31.03.2015 T€	**01.04.2013 to 31.03.2014 T€**	**Change T€**	**%**
Stahlservice (cutting hot rolled Steel strip	231,641	406,506	-174,865	- 43.0
Roof- and wall cover for the Construction sector	143,692	160,810	-17,118	-10.6
Rolling and refining cold strip	84,541	93,352	-8,811	-9.4
	459,874	**660,668**	**-200,794**	**-30.4**

The sales volume- as one of our essential key figures sunk from 1.25 million tones in 2013/2014 to 0.92 million tones, in 2014/2015 and with that something severe expected, than in the previous year. In addition, moderate decline in sales in the “roof- and wall covering” sectors are significant declines, to be listed in the “Stahlservice” and “Rolling and refining” sector.

The sales volumes in the steel processing sector (steel service as well as cold rolling and galvanized refining of steel strip), have sunk as expected. The decline in volume by 29%, is based on the sale of Degels GmbH, for 31st of March 2014 (decline in volume by 19%) as well as the closure of sites and decline in volume of Blume GmbH (8%). A low price level, compared to the previous year has resulted in the decline of sales, on the whole by 43%; hereof 24% is attributable to the sale of Degels GmbH.

In the roof- and wall covering sector, in particular the Kalzip-companies could win few projects than in the previous year and they had to list declines in sales. This is caused partly by the restructuring, in Asia. The decline is ascribed with 3% to volume effects.

In the rolling and refining, the decline is sales is almost exclusively caused by the adjustment in production and sale of Trierer Walzwerk GmbH, for 31st of December 2014.

The overall performance has sunk in the fiscal year by 29.6%, as against the previous year; the decline is 5.6%, adjusted for the sale of Degels GmbH. The gross profit margin has risen from 19.7%, in the previous year to 22.5% in the reporting year. The gross profit margin of previous year is 22.8%, adjusted for the Degels GmbH. With that the gross profits have sunk slightly by 0.3%-points.

The other operational profits have risen by € 4.9 million, compared to the previous year. For this higher profits from sale of assets (in particular from the sale of real estate and assets used by the Trierer Walzwerk GmbH) and higher currency gains are casual.

The restructurings initiated in the previous years were pursued in the fiscal year and partially completed. The restructurings initiated in the fiscal year have the result, by burdening provisions for personnel costs (in particular for redundancy payments) and material costs.

The personal expenditures in the fiscal year 2014/2015 have sunk- adjusted for the expenditures of Degels GmbH- by € 4.4 million. The decline in the restructuring expenditures by € 2.8 million in the reporting year, are casual for this (previous year: € 3.8 million) as well as less personal costs due to closure of positions. The rise in the social expenditures is based on the redundancy payment and the payment of corresponding social security contributions.

The decline in amortization compared to the previous year, is based on the unscheduled write downs of Trierer Walzwerk GmbH, by € 2.3 million in the previous year; disposal of assets and closures in the previous years, as well as the final consolidation of Degels GmbH, for 31st March 2014.

The other operational expenditures have risen, compared to the previous year (adjusted for the expenditures of Degels GmbH), due to operative one time expenditures (Kalzip), as well as general rise in costs by T€ 1.0. They include restructuring costs for vacancies etc by € 2.4 million, in the previous year.

The result before interests and taxes (EBIT) as essential key figure for measuring earnings, amounts to T€ 20,583 to T€ 22,052 in the previous year and is thus loss of around € 20 million notified as part in the previous annual financial statement. The loss was realized in the fiscal year, in the “steel service” and “roof- and wall covering” business sectors. Hereby, again launching costs and restructuring expenditures (€ 4.5 million; previous year: € 8.8 million), have burdened in particular the roof- and wall covering sector.

The interest paid includes, in particular interest for the accumulation of provisions by € 2.4 million (previous year: € 2.5 million), interest to subsidiaries by € 2.3 million (previous year: € 2.3 million).

The extraordinary expenditures include, as in previous year with T € 724 (previous year: T€: 743), adjustments of pension liabilities, due to the changed valuation regulations by the Accounting Law Modernization Act as well as T€536 from the final consolidation of both soled companies, in the previous year.

The taxes from the incomes and profit in the fiscal year and in the previous year, affect amount relating to other periods.

Financial situation

The provision of finance to TSG-group is guaranteed by the worldwide Tata-groups, via the Tata-Steel Belgium Services NV, Berchem/Belgium, (TSBS NV), as well as by the Tata Steel Netherland BV, Ijmuiden/Netherland (TSNL BV).

The long-term loan of TSBS NV was amortized and denominated as scheduled with € 9 million, in the fiscal year, for the balance sheet date with € 27 million. It is linked to certain key figures at the TSG (in particular absolute and percentage share of equity quotas). In the event o non-fulfillment of certain key figures, there exists exceptional right of termination, on the side of TSBS NV. The key figures were not maintained in the annual financial statement of TSG, for 31st of March 2014. The TSBS NV has not noticed the exceptional right of termination, due to it, but confirmed with letter of comfort, dated 1st August 2014 that it has not the intention, to reclaim the existing loan, premature prior to 30th September 2015; this does not apply in the case that TSBS NV or TSG no more belong to the Tata Steel Netherland BV. This statement was extended with letter of comfort, dated 23rd April and 1st December 2015, till to 30th June 2017. Further TSBS NV has confirmed that there is a credit line of € 20 million existing under the cash-pool-agreement.

The TSNL BV has granted a loan of € 20 million to TSG, with agreement dated 2nd March 2015 and with reference to this has issued postponement of priority. The loan was increased to € 30 million, with effect from 18th May 2015 and on 26th June 2015 the final maturity was extended to 4th June 2016. On 19th November 2015 it was further increased to a total of € 40 million.

In the reporting year, bank loan of € 3.84 million was recorded, at the Commerzbank, for financing capital investments, at Gelsenkirchen site. The loan amounting to T€ 573 is for remaining period of less than one year. The TSNL BV has given guarantee bond as security.

With the Tata-Steel-Germany-Group, there exists a Cash-Pool-System with TSG as Cash-Pool-Leader-without any change for the previous year. In addition to the group of companies, still few other domestic and foreign subsidiaries of worldwide Tata-Group, are included as participants in the Cash-Pool.

The cash flow from current business activity amounts to T€ -7,878, in the fiscal year 2014/2015 (previous year: T€ -24,627); it was expected to the previous year level. The negative value is based on the negative period results, in both years, whereby positive Working-capital-Effects could be achieved, in the reporting year. The cash flow from the investment activity amounts to T€ -1,180 (previous year: T€ -6,284). Here, the profits from sale of property as well as the payment receipt from the sale of shareholdings, from the previous year, have positive effect. The cash flow from financing activity of T€ 14,840 (previous year: T€ -9,000) relate to the issue of group loans of € 20 million and bank loans of € 3.8 million (after deducting the repayments), by deducting the scheduled repayment of long term group loans of € 0.0 million.

The cash amounts to T€ -12,935, for 31st March 2015 (previous year: T€ -18,717). In the cash, all means of payment and those equivalent to means of payment (including Cash-Pool-Requirements as well as Cash-Pool-Liabilities and short term bank liabilities), are included.

Further, the TSNL BV confirmed on 17th June 2015 that it intends to provide the TSG itself or by the Staalverwerkung en Handel BV, Ijmuiden/Netherland, with appropriate means; the statement is limited till to the determination of annual financial statement, for 31st March 2016 of TSG; on 7th December 2015 it was extended to the 31st March 2017. Based on the existing plans, the solvency of TSG and its sister plants is guaranteed, in the fiscal year 2014/2015 and in the subsequent year, with the existing loan and as well as the short term funding facility. Hereby, there are reserves for case of deviations in plan.

The solvency of TSG and its sister plants depends on the financing by the TSBS NV and the TSNL BV.

Financial situation

The fixed assets compared to the previous year, has sunk by T€ 4,605. The investments in the tangible fixed assets of T€ 6,394 (previous year: T€ 7,762) affect, in particular fire protection investments and modernization costs, for the NI3 plant of Hille & Müller GmbH, investments for the development of Stahlservice-Centers, in Gelsenkirchen as well as current investments, for modernization of plants, improvement of security and fulfillment of environment issues. The tangible fixed asset has sunk, in particular due to sale of real estate of Hille & Müller, as well as of Augusta Grundstücks GmbH by remaining book value of € 1.0 million. Further, project costs of € 4.5 million of Service Centers Gelsenkirchen were transferred into the other tangible fixed assets, since they are recharged. In addition, the fixed assets of Trierer Walzwerk GmbH amortized in the previous year and sold or scrapped in the reporting years, was written off. The scheduled amortization of fiscal year, amount to € 4.9 million. The capitalization ratio in relation to the tangible fixed asset for the balance sheet total has sunk, due to decline in tangible assets from 20.8% in the previous year, to 19.5% by the balance sheet date.
Various foreign investments are not included in the consolidated financial statement, as per § 296 para 2 of HGB, since the essential influence of fixed asset-, finance- and profit situation of group is not given. The Corus Building Systems NV, Duffel/Belgium was liquidated, in the reporting year and a low excess was realized. The shares to these subsidiaries are composed, as follows:

	31.03.2015 **T€**	**31.03.2014** **T€**
Kalzip Spain S.L., Madrid/Spain	900	900
Kalzip FZE, Dubai/United Arab Emirate	215	215
Kalzip GmbH, Vienna/Austria	44	44
Kalzip Italy S.r.l., Milan/Italy	10	10
Corus Building Systems NV, Duffel/Belgium	0	0
Blume Stahlservie Polska Sp.z o.o.i.L., SoSnowitz	0	0
	1,169	**1,757**

The shares of Blume Stahlservice Polska Sp.z.o.o. i. L., Sosnowitz/Poland were amortized, due to the continuous loss of business in the previous years. Since 2nd January 2014, the company exists in liquidation.

The reserves have sunk, in relation to the balance sheet total from 31.8% to 30.8%. The stock reduction due to the closure of sites and a low price level is casual for the decline. The receivable from the deliveries and services, in particular have risen at the Kalzip GmbH, based on project settlements, conditional on reporting period. The receivable from subsidiaries have included for the previous year receivable dates from rebilling, which do not exist for the balance sheet date. The other items of property have risen, based on project costs of Service Center Gelsenkirchen, to be recharged by 4.5 million, as well as based claims from energy refund.

The liquid means have raised contingent on closing date.
The group equity is reduced from T€ 25,651 to T€ 1,128, due to consolidated net loss. The equity ratio has declined from 13.0% to 0.6%, due to deficit. The TSNL BV has issued a limited letter of comfort, till to 31st March 2017 as well as stated postponement of priority, with reference to the granted loan of € 40.0 million, in total.

The provisions have increased, in relation to the balance sheet total, from 32.2% to 35.3% and in particular based on higher pension provisions. Its rise is cause partly by the lower actuarial interest rat. The other provisions affect, in particular provisions in the personnel section (T€ 13,476; previous year: T€ 14,271) and outstanding purchase invoices (T€ 8,064; previous year: T€ 5,794).

The liabilities have increased, in relation to the balance sheet total, from 54.8% to 64.1%, since the liabilities against subsidiaries have risen, based on group financing. The liabilities against subsidiaries included, for the balance sheet date, the last term loan of Tata Steel Belgium Services NV, amount to €27 million (previous year: € 36 million) as well as a short term group loan of € 20.0 million (with postponement priority).

As explained in section II.6 “financial situation” of the company, the solvency of TSG and its sister companies is guaranteed with the loan and as well as the short term funding line, from TSBS NV and TSNL BV side in the fiscal year and in the following fiscal year. Simultaneously, the solvency is dependent on the funding by the TSBS NV and by the TSNL BV.

7. Overall statement on asset-, financial- and profit situation, at the time of preparation of group management report

The result structure remain very high, at the time of preparation of group management report based on worldwide excess capacity, in the steel sector and price and margin pressure resulting from it. The Tata-Steel-Germany-Group works intensive, on the medium term reversal of earning situation making profitable. Following fresh losses in the current fiscal year, there exist short term Cash-Pool-Liabilities of T€ 5,500, as on 30th November 2015 at the TSBS NV as well as a loan liability of € 18 million and a short tem loan liability of € 40 million, at the TSNL BV. We refer to the performances under 6 for the financial situation.

The funding of group is and remains dependent on the financing by the TSBS NV and the TS NL BV; moreover, the TSNL BV has issued a limited letter of comfort, till to the determination of annual financial statement for 31st March 2017 of TSG.

In the individual financial statement of Tata Steel Germany GmbH, equity ratio as on 31st March 2015, amounts to € 52.1 million and is enough to cover the financial charges from the assumption of losses, in favor of sister companies, with the given funding.

III. Supplementary report

In October 2014, TATA Steel UK Ltd., London/UK with the Klesch-group has reported a letter of comfort, to include a detailed due-diligence-processes as well as negotiations on a possible sale of business sector Long Products Europe and the associated sales activities. The sale in Germany would have affected the Blume GmbH, in Mülheim. However, the negotiations have failed. Even the discussions with other interesting parties have failed. Subsequently, in October 2015 it was decided, to stop the activities of Blume Stahlservice GmbH, as on 31st March 2016. The negotiations with the local works council committees were completed, on 17th November 2015. Presently closure costs of € 2.2 million are expected.

The Fischer Profil GmbH too has announced, after the balance sheet date a restructuring with personnel reduction. Here additional charges of around € 1.5 million are expected. The negotiations with the local works council committees were completed on 17th November 2015.
After expiry of fiscal year from 1st April to 31st March 2015, besides the already shown developments, no further events have occurred.

IV. Possibilities and risk report

1. Presentation of risk management-system

Aim of risk management system is in guaranteeing the economic success of the company and to detect any facts impairing the development or jeopardizing the existence of development, in advance. All company relevant data are determined, communicated and verified as part of monthly financial statements or monthly reporting system. Thereby, the checking of external and internal data as well as the reliability of presented statements are guaranteed.

Any liquidity risks are detected, earlier as part of continuous finance planning and minimized with corresponding financial measures of Tata Steel Belgium Services NV and Tata Steel Netherland BV. Changes in price arising in purchase as in sales sector, above all due to the macroeconomic and sector developments. Important investments are applied and approved, as part with approval procedure. Threatening bad debt losses are under control, by an efficient dunning and by a customer-credit management. Moreover, receivables from third party for major part are safeguarded by trade credit insurance. Currency risks from the volatility of US-dollar, in relation to Euro for confirmed transactions are as far as possible safeguard, via currency hedging contracts.

2. Application of derivative financial instrument

For guaranteeing rate of foreign currency receivables and for securing from nickel price fluctuations, according to "Tata Steel Group Policy Documents" foreign exchange commodity future contract was concluded. As on balance sheet date 31st March 2015, there exist forward exchange transactions with a nominal value of TUSD 13,386 (previous year: TUSD 5,920). The market value of this transaction is adjusted, as on 31st March 2015 to T€ -631 (previous year: T€ +261); in as far as provisions for bad losses are formed from fluctuating transactions.

As on 31st March 2015, there are Nickel-Hedging-Contracts with a nominal value of TUSD 380 and T€ 491 (previous year: T€ 891). The market value of these contracts is adjusted, as on 31st March 2015 to TUSD 79 and T€ 38 (previous year: T€ 5). The market value indicates equivalent value, which would be obtained, if the corresponding foreign exchange commodity future contracts would be liquidated, on the closing date. Here the market values can be used, which were certified by the contracting companies.

3. Possibilities and success potential

Not only possibilities and success potentials but also risks arise with the integration into the group of Tata Steel Ltd or into the subgroup of Tata Steel Europe Ltd. Possibilities and success potentials arise, since products and innovations of sister companies (in particular Stahlwerkes in Ijmuiden) can be used, further processed and sold, in Germany.

Further, central functions of groups are already used in various sectors, like for e.g. IT and financing or the shifting of account keeping to a Shared Service Center in Great Britain.

Other possibilities arise from the initiated and announced restructurings, in order to return in units in the profitability.

The Service Center Gelsenkirchen is operational initially as sole distribution site, in Germany for the Tata-Automotive-Sector. The investments in Gelsenkirchen, in a new hall and new plant are consistent with the Tata-Automotive-Strategy and offer good success possibilities, in future by using the latest technique, by expanding the capacity and increased supplier reliability involved in it.

The prerequisites for the use of new processing capacity are to be assessed positive. The existing bulk customers are automobile suppliers; they have one of rising trend in the automobile industry- followed by increased demand for steel. In the light of enormous competition in the steel processing, however the period till to the complete utilization capacity of new FIMI-split plant is extended.

The success possibilities of Hille & Müller GmbH exist in the fast reaction to changing market requirements and in a profitable growth, in future markets like electrical industry and automobile.

In order to exist in competition on sales market side, the Fischer Profil GmbH, as well as other companies of Tata-Steel-Germany-Group focus on an active market strategy. Central components of this strategy are: high quality product, customer satisfaction and higher service grade in form of decentralized sales structure; these form the essential success determining factors of business.

The Kalzip-companies have applied worldwide restructuring program, in order to use optimum existing market potentials and product potentials in smaller units and to improve the earnings situation.

4. Risks in future development

The TSG and its sister companies have developed a comprehensive risk-management-system as per specification of Tata-Steel-Group. Within this risk-management, significant risks are identified and assessed, which are involved in the corporate activity. Thereby, following risks were analyzed and listed with reference to its probability of occurrence and possible extent of damage. Following risk fields are to be named:

Sectors- and macroeconomic risks

- The dependency on big customers, in particular automotive-sector and as well as in rolling and refining sectors can result in short term sales- and margin narrowness. The interdependency is strength by close cooperation with the customers and satisfying their requirements and minimizes the risk of rapid loss.
- Change in the international competition situation (for e.g. by merging other companies) are current observed and are then to analyze in the individual case with reference to their concrete effects.
- Alternative materials- possible use of plastic (or aluminum) instead of steel, in particular in the automotive sector too are continuously observed, analyzed with reference to their effects and if necessary measures are initiated.
- Volatile price curves show special risk in our (steel-) sector, which cannot be ensure in the absence of market listing. Hence, the price development is currently observed, so that we can counter these risks, best possible.
- Sales limitations at customers with restricted credit lines of insurer and banks, was met through successive integration into the European commercial credit insurance for group, with improved credit lines.
- The US-dollar- currency risk lowers, as a result of reduced activities in Asia.

Procurement risks

- Price developments (in particular steel price and energy price) are current observed, to adapt own short term price policy and to avoid essential risks.
- Supply gaps and potential delivery bottlenecks resulting from it are limited risk, through the integration into the Tata-group.

Other risks

- Risks from machines- and product failures (for e.g. through fire) are minimized by current investments, maintenance and repairs.
- Possible customer-insolvencies is met through credit assessments and commercial credit insure.
- Non-insurable receivables from suppliers to customer (sales limit at customer through restrictive credit lines of insurer and banks) are precisely monitored, to avoid essential risks.
- For risk from EDV-failure will take account of group-IT through the successive acquisition (Hard- and software).

Incorporation into the Tata-group

Not only possibilities but also risks arise from the relationship with Steelwork of Tata-Steel-Sister company, in Ijmuiden, by incorporating into the group of TATA Steel Ltd.or in the sub-group of Tata Steel Europe Ltd. Possibilities exist in the steel service sector as well as in rolling and refining, in close connection to the main suppliers for hot strip supplies. Simultaneously, there exists dependency of this company.

Financing

The financing of Tata-Steel-Germany-Group- as elucidated above- is via the TSBS NV and the TSNL BV. The TSBS NV shows presently, on the whole good balance sheet ratios and provides short term funds. Correspondingly, we assume that the TSBS NV can grant the conceded Cash-Pool-Credit line of € 20 million. In order to ensure own solvency, the share holder is informed, every month and responds when required, finally by increasing the loan from € 30 million to € 40 million.

The existing loan of TSBS NV, amount € 27 million was paid off, as scheduled in the fiscal year 2014/2015. In annual financial statement of TSG, as on 31st March 2014, the balance sheet ratios were not maintained, as per the loan agreement. However, the exceptional right of termination on TSBS NV side was not noticed. It was confirmed with a letter of comfort, dated 1st August 2014 that it is not intended to reclaim the load, prematurely, prior to 30th September 2015; this does not apply in the case the TSBS NV or TSG do not belong to Tata Steel Netherland BV. This statement was extended with letter of comfort, dated 23rd April 2015 and 1st December 2015, till to 30th June 2017.

There exists the risk that the TSNL BV on 4th June 2016 declares the loan amount of over € 40 million as due and correspondingly a short term funding must be applied. Further there exists the risk for the short term credit line of TSBS NV, above € 20 million on 30th June 2016, no follow-up financing is granted, so here must apply for short term funding. As far as the earning- and finance situation in the Tata-Steel-Germany-Group develops considerably worse than planned, there exists the risk that the conceded short term cash-pool-credit line is not sufficient for the financial requirement and an extension must be applied at the TSBS NV or TSNL BV. The liquidity/ liquidity requirement of companies, included in the Cash-Pool is monitored, continuously against this background.

The funding of group is and remains dependent on the funding through the TSBS NV and the TSNL BV. Moreover, latter has issued a short term letter of comfort, till to the determination of annual financial statement, as on 31st March 2017 of TSG.

V. Forecast report

The Tata-Steel-Germany-Group of companies are within the frame of budget process and instructed the next so-called "Forecast"-planning, to generate forecast report for later business development. The controlling-function is ensured at the company, locally, on one side and additionally through controlling-activities, within the business units. The Tata-Steel-Germany-Group is incorporated into a worldwide operating group and participates thus at reliable sources of information, with regard to assessment of future developments of sectors- and business. Weekly-, monthly-quarterly- and annual preparation of reports minimize the misjudgment of future business developments. The risks are derived from the corporate activity and from the changing markets. Procedures for early detection are implemented.
For supporting the budget preparation of individual companies, wide ranging information, with reference to e.g. expected economic developments, the inflation rate, the purchase price and so on, are conveyed by the company leadership of Tata Steel Europe Ltd. Considering these information from the side of individual (operative) companies, the individual plans are undertaken based on it, which are submitted for approval, at the Tata Steel Europe Ltd. Hereby, the actual-quantities are taken as basis, in accordance with volume planning of group, which are oriented to the previous year at fully utilized business and a slight growth is implied at non-fully utilized businesses. On the price side, the purchase prices are fixed by the group. The sale prices arise as surcharge on the purchase prices, whereby the surcharge of margin of previous is determined, in addition to insignificant increase. For the Service Center Gelsenkirchen, the increase in quantity were budgeted based on investments and as well as the corresponding launching costs. For the Blume Stahlservice GmbH its closure was considered.

For the next years, the risks of later business development are to be considered, global. Thereby, the central question is, what type of influence does the debt- and confidence crisis has in Euro area and which effects do the excess capacities have in the steel sector. For the fiscal year 2015/2016, we expect a significant sales and turnover reduction and as well as negative profit before taxes, due to difficult market conditions and as well as initiated restructurings and closures. For the fiscal year 2016/2017, we expect for the same reason, further decline in sales and turnover and as well a significantly reduced negative earnings. Work accidents (LTI) are planned at the zero level. For the following period, above all improvements in earnings are planned.

Düsseldorf, dated 18th December 2015

Tata Steel Germany GmbH
The *Management*
Mark Detering
Sandra Rost
Harald Ehrlich

Consolidated balance sheet
Assets

	31.03.2015	**31.03.2014**
	€	**€**
A. Fixed assets		
I. Intangible assets		
1. Concession, industrial property rights acquired for a Consideration and similar rights and values as Well as licences to such rights and values	388,546	636,251
2. Business or goodwill	19,481	0
	408,027	636,251
II. Tangible assets		
1. Land, leasehold rights and building including buildings On non-owned property	14,961,100	15,715,654
2. Technical installations and machines	16,731,121	17,075,038
3. Other fixed assets, operating and business equipment And furnishings	2,831,873	3,233,379
4. Repayments and construction in progress	4,374,613	6,654,078
	38,898,707	42,678,149
III. Financial investments		
1. Shares in affiliated companies	1,169,644	1,757,156
2. Contributions	12,782	12,782
3. Other loans	182,398	192,580
	1,364,824	1,962,518
	40,671,558	**45,276,918**
B. Working capital		
I. Inventory		
1. Raw materials, auxiliary materials and operating supplies	30,965,386	31,609,879
2. Unfinished goods, unfinished services	4,766,043	4,161,786
3. Finished good and merchandise	25,623,412	28,297,788
4. Advance payments	0	1,281,860
II. Receivable and other assets		
1. Accounts receivable trade	58,349,427	55,098,068
2. Receivable from subsidiaries	11,858,931	21,410,499
3. Other assets	1 7,546,134	9,288,647
	87,754,492	85,797,214
III. Cash balances, bank balances and cheque	8,496,820	8,308,406

	157,606,153	**59,456,933**
C. Deferred income	**719,108**	**634,757**
	198,996,819	**205,368,608**

Liability

	31.03.2015 €	**31.03.2014 €**
A. Equity		
I. Subscribed capital	102,260,000	102,260,000
II. Group’s retained earnings	5,253,239	5,253,239
III. Consolidated net loss	-108,127,139	-82,475,961
IV. Adjustment item for currency translation	1,742,271	1,6 34,745
	1,128,371	**26,672,023**
B. Provisions		
1. Provisions for pension and similar obligations	44,847,349	41,567,650
2. Other provisions	25,381,238	24,623,204
	70,228,587	66,190,854
C. Liabilities		
1. Amounts owed to credit institutions	3,839,694	1,309,760
2. Advance payments received on account of orders	525,140	1,618,497
3. Liabilities from deliveries and services	16,649,481	17,766,711
4. Liabilities from subsidiaries	99,444,401	86,048,186
5. Other liabilities	7,181,145	5,762,492
	127,639,861	**112,505,646**
D. Deferred income	**0**	**85**
	198,996,819	**205,368,608**

Consolidated income statement

	01.04.2014 to 31.03.2015 €	01.02.2013 to 31.03.2014 €
1. Sales	459,873,500	660,668,251
2. Increase/decrease in inventory of finished And unfinished products as well as unfinished Services	3,263,746	-2,768,888
3. Other activated personal contributions	94,546	12,250
4. Other operating income	10,242,822	6,283,063
5. Material expenditure		
a) Costs for raw material-, auxiliary- and operating materials and for purchased goods	-351,184,529	-516,459,752
b) Costs of purchased services	-7,682,124	-11,852,738
6. Personnel costs		
a) Wages and salaries	-53,184,529	-64,105,535
b) Compulsory social security contributions and expenses for pensions and other employee benefits	-12,467,028	-12,568,671
7. Depreciation and amortization of intangible Assets and property, plant and equipment	-4,906,886	-8,453,371
8. Other operating expenses	-63,844,586	-72,806,358
9. Income from shareholdings	78,000	78,000
10. Other interest and similar income	308,675	92,149
11. Interest and similar expenses	-4,860,820	-5,182,809
12. Results from normal business activity	**-25,057,475**	**-27,064,409**
13. Extraordinary expenses and extraordinary result	**-723,620**	**-1,278,854**
14. Taxes on income and profit	419,242	8,324
15. Other taxes	-289,325	-335,467
16. Consolidated net loss	**-25,651,178**	**-28,670,406**
17. Group loss	-82,475,961	-53,805,555
18. Consolidated net loss	**-108,127,139**	**-82,475,961**

Group annex
I. General statements

1. Applications in accordance with the regulation in the German Commercial code.

The consolidated financial statement of Tata Steel Germany- hereafter known as “TSG”- has been prepared for the fiscal year 2014/2015, as per the accounting principles of German Commercial Code, introductory low for the HGB and of GmbH-law.

The existing consolidated financial statement is exempting financial statement, in terms of § 264 para 3 no. 3 HGB, for the consolidated groups, listed in section V.6

2. Parent company

Tata Steel Germany GmbH, Düsseldorf (district court Düsseldorf) HR B 55722) is parent company. The Staalverwerking en Handel BV, Ijmuiden/Netherland is sole partner of TSG.

3. Consolidated companies

As per §§ 294 to 296 of HGB, besides the TSG following companies are being incorporated in the consolidated financial statement:

	Shareholding %
Service Center Gelsenkirchen GmbH, Düsseldorf	100.0
Hille & Müller GmbH, Düsseldorf	100.0
Trierer Walzwerk GmbH, Trier	100.0
Kalzip GmbH, Coblenz	100.0
Corus Aluminum Verwaltungsgesellschaft mbH, Düsseldorf	100.0
Corus Beteiligungs GmbH, Düsseldorf	100.0
Augusta Grundstücks GmbH, Düsseldorf	100.0
Blume Stahlservice GmbH, Mülheim/Ruhr	100.0
Fischer Profil GmbH, Netphen	100.0
Tata Steel International (Germany) GmbH, Düsseldorf	100.0
Kalzip Asia Pte Ltd., Singapore	100.0
Kalzip (Guangzhou) Ltd., Guanghou, China	100.0

The initial consolidation of Kalzip Asia Pte Ltd. and of Kalzip (Guangzhou) Ltd took place, in accordance with § 301 para 2 sentence 4 HGB, as on 1st April 2010. Closing date for the initial consolidation of remaining companies is the time of initial incorporation in the consolidated financial statement, in terms of § 301 para 2 sentence 1, second alternative HGB a. F.

In the reporting year all shares to the Myriad Deutschland GmbH, Düsseldorf were acquired by the Tata Steel International (Germany) GmbH, for a purchase price of T€ 377 with effect from 1st April 2015; the company was merged with the acquired, on this closing date with economic effect. The initial consolidation was done for 1st April 2015.

4. Companies not incorporated in the consolidated financial statement

The shares in the following companies, in whom the TSG holds the majority of shares, are not incorporated in the consolidated financial statement, in accordance with § 296 para 2 HGB, since they are of secondary importance, a representation of the asset, financial and profit position of the group, corresponding to the true circumstances. The secondary importance arises from the decline in the balance sheet total and from the poor result of the company.

	Shareholding	Equity	Result of Last fiscal Year
	%	T€	T€
Kalzip FZE, Dubai? United Arab Emirate* **	100.0	420	57
Kalzip Spain S.L., Madrid/Spain * **	100.0	1,470	22
Kalzip Italy S.r.l., Milan/Italy * **	100.0	27	3
Kalzip GmbH, Vienna/Austria * **	100.0	133	0
Blume Stahlservice Polska Sp. Z o.o. i.L Sosnowitz/Poland* (1.1.2014)	100.0	-2,027	-215
Corus Building Systems Bulgaria AD, Plewen/Bulgaria* (31.12.2014)	65.0	-2,216	-645

* Equity and result determined, as per national right or in accordance with Tata-Group Balance Sheet Directive
** Statements as on 31.3.2015

The Blume Stahlservice Polska Sp. z o.o is involved in the resolution of company meeting, dated 2nd January 2014, since this day. For materiality perspective, the Corus Building Systems NV, Duffel/Belgium was not incorporated in the consolidated financial statement, which was liquidated in the reporting year; hereby a gain of T€ 354 was realized.

II. Consolidation procedures

1. Capital consolidation

The capital consolidation of incorporated companies are done for initial consolidation, up to 31st December 2009, as per the book value method, in accordance with § 301 para 1 sentence 2 no 1 HGB a.F, from 1st January 2010 the capital consolidation is applied as per the revaluation method, in accordance with § 302 para 1 sentence 2 HGB.

In accordance with the book value method, the equity was estimated at the amount, which corresponds to the book value of assets, debts, accruals and deferrals to be included in the consolidated financial statement. Differences of T€ 253,305, which have come in the past as part of initial consolidation, were openly set off with the capital reserve. As far as the differences have exceeded the reserves (T€ 183,678), are recorded as income. The differences offset against the reserves refer exclusively final consolidated companies. The offsetting against the reserves is maintained after the final consolidation or as far as the capital reserves are being distributed and reposted to the income statement.

For full consolidated companies Kalzip Asia Pte Ltd and the Kalzip (Guangzhou) Ltd, the revaluation method was applied. The resulting deferred difference total of T€ 5,253, as part of consolidation was assigned to the retained earnings, since it is retained profits of years, in which these companies due to lack of materiality are not be consolidated.

In the reporting year with effect from 1st April 2014, all shares to the Myriad Deutschland GmbH, Düsseldorf were acquired for a purchase price of TЄ 377. The initial consolidation was as per the revaluation method, at the acquisition date; hereby a transaction- and company value of TЄ 24 was determined. This is amortized over the operating life of 5 years, which was determined on experiences of customer relationships of last years.

2. Elimination of inter-company profits

Individual companies render deliveries and services in the group sector. Significant influence on the group's financial position, net assets and results of operations are not given in these services, with the profit surcharges. Hence, elimination of this inter-company profits due to lack of materiality, in accordance with § 304 para 2 HGB was renounced.

3. Consolidation of debts, expenses and income

Internal group receivable and debts, as well as expenses and income were eliminated, as part of consolidation.

III. Accounting policy

Recognition and measurement

In the assessment of consolidated financial statement, the valuation principles used in the annual financial statement of parent company was being applied, in accordance with § 308 para 1 sentence 1 HGB.

Classification and presentation

In the preparation of consolidated financial statement, the specification for the big incorporated companies (§§ 266, 275 HGB) were noted over the classification and presentation of balance sheet in the profit and loss statement.

The profit and loss statement was prepared, as per the total cost method in accordance with § 275 para 2 HGB.

Intangible assets

Intangible assets were stated, deducting scheduled linear amortizations at acquisition costs. The operating life is between three and ten years. The income-or goodwill is amortized over an operating life of 5 years.

Fixed property

The fixed assets are assessed at acquisition-or production costs and as far as depreciable – taking into account scheduled and unscheduled amortizations. In the manufacturing costs, material costs, production costs and the extra itemized costs of production are included, as well as appropriate parts of material overheads, production overhead and of depreciation of fixed assets. Costs of general administration and interest on borrowed capital, expenses for social benefits of the company are not included.

Four big plants, which were put into operation in 2006, were amortized as part of actual economic depreciation degressive, over an operating period of fifteen years. Basically, the amortizations are done prorate temporis.

The approaches in the movable assets are amortized, basically from the time of linear approach. Fixed assets up to a value of € 150 were amortized, since 1st January 2008, completely in the year of acquisition.
Assets with a value between € 150 and € 1,000 are included in a compound item, since 1st January 2008 and amortized over 5 years. There exist partial fixed values for the so-called "Coil restraint shoe".

The scheduled depreciations are as follows:

	Depreciation method	**Depreciation rate in %**
Building	linear	3 to 5
Technical plants and machines (except large plant , s.o)	linear	3 to 33.3
Other fixed assets and office equipment	linear	3 to 33.3

Financial assets

The share at subsidiaries and investments were stated at acquisition costs or at the lower cost of fair value.

The loans are stated at the nominal value or, as far as they are non-interest bearing, at present value.

Reserves

The raw material-, auxiliary and operating materials, ferro-alloy products and magazine material – except in rolling and refining sector, are valued at the amortized costs or at acquisition costs or at the lower of net realizable value on the balance sheet date. In the rolling and refining sector, hot strip and nickel are valued, as per the LIFO method (last in, first out on an annual basis), taking into account the minimum value. Uncommon dimensions and older stocks are depreciated corresponding to the expected usability. For raw material-, auxiliary and operation materials of secondary importance, which are subject to only minimum changes in value and composition, was stated at fixed value, in accordance with § 240 para 3 HGB.

Finished products are valued at production costs. Material costs, the accruing scrap costs, products costs and the extra itemized costs are included in the manufacturing costs and as well as appropriate parts of material overheads, production overheads and of depreciation of assets. Cost of general administration and interest on borrowed capital as well as expenditures for social benefits of company are not included.
The principle of loss-free evaluation is noted. Valuation discounts are applied, if reserves are outdated or are afflicted with technical defects.

With the unfinished and as well as finished products, in the rolling- and refining sector the so-called 'Lifo-method with layer formation' is applied, for the assessment. Increase in inventories is assessed at the production costs. In the manufacturing costs, the unfinished and finished products are the material costs, the accruing scrap costs, the production costs and the extra itemized costs for production are included and as well as appropriate parts of material overheads, production overheads and depreciation of fixed assets; in the unfinished products this is proportional to the stage of completion. Costs for general administration and interest on borrowed capital as well as expenditures for social benefits of company are not included. The principle of loss-free evaluation is taken into account. Valuation discounts are applied, if reserves are outdated or are afflicted with technical defects.

The assessment of merchandise is done at acquisition costs – partially by applying the average method- taking into account the lowest value principle. Inventory risks, which result from storage period or reduced usability, were considered through depreciations.

Receivables and other fixed assets

Receivables and other fixed assets are, basically stated at nominal values. Claims on reinsurance policies of group do not meet the requirements on covering properties and hence are not shown under the other fixed assets and assessed at acquisition costs. Identifiable risks are considered through value adjustments. Moreover, for covering the general credit risk general value adjustments are formed.

Cash balances, bank balances and cheque

The liquid means are basically stated at nominal values. Deferred expenses and accrued incomes
Prepayments made, which show expenditure for certain period following the balance sheet date, are deferred pro rata temporis.

Deferred taxes

Deferred taxes are determined for timely difference between the commercial and tax valuations of fixed assets, debts and accruals and incomes. Additionally, offset of taxable losses carried forward in the amount expected within the next five years, are taken into account. The determination of deferred taxes is done, on basis of income tax rate of current 31% for Germany, by 25% for China and by 10.81% for Singapore. The income tax rate applied for Germany comprises corporate tax, commercial tax and solidarity surcharge. Deferred tax liabilities were offset with deferred tax assets. Deferred tax assets exceeding the netted tax assets and liabilities are not included in the course of excising the option of § 247 para 1 sentence 2 HGB.

As on 31st March 2015, a surplus of deferred taxes income arise, in particular due to difference in the assessment of assets, pension provisions, social plan provisions and from tax loss carry forwards, which is not included in the balance sheet.

There are no differences between the individual financial statements and the consolidated financial statement, as a result of consolidation measures.

Equity

The subscribed capital is paid up and complies with the share capital of parent company.

Pension provisions

The provisions for pension and similar obligations are assessed, as per the Projected-Unit-Credit-Method, by using the guideline tables “2005 G” of Prof. Klaus Heubeck, assumed rate of interest of 4.43%, salary trend of 2.0% p. a as well as pension trend of 1.75% (respectively 1.0% p. a for promises with guaranteed changes in pensions). For the fluctuation gender- and age specific assumptions, between 0% and 8% p. a are taken as basis. In the assessment of pension provisions, simplification rule of § 298 i.V.m § 253 para 2 sentence 2 HGB was used.
Pension provision of amount T€ 7,480 are not included in the balance sheet, due to proportional for the pension provisions, over 15 years, as per article 67 para 1 EGHGB.

Tax- and other provisions

Remaining provisions have been made to take appropriate account of the foreseeable risks and reported liabilities. They are evaluated at the level of amount, which is necessary based on prudent commercial assessment. The provisions are stated at their repayment amount, in accordance with § 253 para 1 sentence 2 HGB. The anniversary provisions and for semi-retirement obligations are determined, as per actuarial principles, by using the guideline tables “2005 G” and assumed rate of interest of 4.3%. Further, salary trend of 2.0% is p. a applied. A long term guarantee provision was discounted, in accordance with § 253 para 1 sentence 2 HGB with 3.28%.

Liabilities

The liabilities are stated at their repayment amount, in accordance with § 253 para 1 sentence 2 HGB.

Deferred income

In the deferred incomes already received payments are delimited, the income show for a certain period, following the balance sheet date.

Currency translation

Fixed assets and liabilities in foreign currency are assessed in the consolidated financial state, at the daily average exchange rate, at the time of initial entry into the account. On the balance sheet date current fixed assets and liabilities with a remaining period up to a year, are converted at the rate on the reporting date, to foreign currency. Long term receivable and liabilities in foreign currencies are set at the rate on the reporting date, as far as the historical exchange rate was lower (in asset item) or are high (in deferred item). Profit and loss from the conversion of foreign currency transaction into local currency are recorded as income and specified in the annex, separately under the item “other operating incomes” or “other operating expenditures”.
In translating the annual financial statement of Kalzip Asia Pte and of Kalzip (Guangzhou) Ltd, incorporated in the consolidated financial statement, for the balance sheet of mean spot exchange rate, at the balance sheet date and for the GuV of average exchange rate of fiscal year was used; the items of equity were converted- except the annual surplus- at the historic rate. Conversion differences between profit and loss accounts were recorded in the equity, under the item “balancing item from currency translation”.

Sales recognition

The time of sales realization exists basically, in delivery and transfer of risk, at the end customer.

IV. Notes to the consolidated balance sheet and to the consolidated profit and loss account

Details on the balance sheet

1. Fixed Assets

The development of individual items of assets is shown, by specifying the amortization of fiscal year, in the separate asset history sheet (annex to the group annex).

The companies are shown, in the case of shares to subsidiaries, who are not incorporated in the consolidated companies. It is about foreign companies, who are of secondary importance for the consolidated financial statement. In the reporting year, an investment was liquidated and hereby a profit of T€ was realized, which is shown under the other operational incomes.

The other loans refer to a tenant loan.

2. Working capital

The reserves are- apart from customary retention of title – free from third party rights
All receivables from deliveries and services have, as in previous year remain up to one year.
The receivables from subsidiaries include – as in previous year- no receivables from shareholder.
The receivables from subsidiaries resulting from the delivery of goods and services (T€ 11, 723; previous year: T€ 13, 061) and from other financial receivables (T€ 136; previous year: T€ 8,349)
All receivables from subsidiaries have a remaining period up to one year- as in previous year.
From the other fixed assets, following receivables have a running time of more than one year:

	31.03. 2015	**31.03.2014**
	T€	**T€**
Receivable from reinsurance policies	3,984	4,206
Federal funding for renewable energy	900	900
Other fixed assets	3,984	4,206

The above mentioned claims from reinsurance policies do not meet the requirements on covering properties and hence are shown non-netted with the provisions. In the previous year, other fixed assets of T€ 81 arise, following the balance sheet date.

3. Equity

The subscribed capital amounts to T€ 102,260, without any change on the closing date.

The changes in the equity are shown in the separate-consolidated-equity analysis.

4. **Provisions**

The other provisions relate to provisions in the personnel sector (T€ 13,476; previous year: T€ 14,271), Complaints and customer bonuses (T€ 2,113; previous year: T€ 1,800) and outstanding purchase invoices (T€ 8,064; previous year: T€ 5,794). The provision for complaints and customer bonuses amount to T€ 299 (previous year: T€ 395) a remaining period between 1 and 5 years; it is determined on the basis of past experiences.

The provisions in the personnel sector relate with around 34% (previous year: 42%) restructuring measures (in particular provisions for redundancy payments, based on social plans), outstanding holiday claims, overtimes and as well as worker bonuses and emoluments as well as semi-retirement- and anniversary provisions

5. **Liabilities**

The liabilities from bank amount to T€ 573 (previous year: T€ 0) remaining period up to one year and amount to T€ 3,267 (previous year: T€ 1,310), a remaining period of more than one and up to 5 years. The interest rate amounts to 3.43%. As security, the Tata Steel Netherlands B.V has issued a guarantee bond.
The liabilities from subsidiaries include- as in the previous year- no liabilities from shareholders.
The liabilities from subsidiaries relate to T€ 27,000 (previous year: T€ 36,000)
Loan liabilities are from the Tata Steel Belgium Services NV. The loan is for 10 years and is to be redeemed equally, in 10 installments. The loan liabilities posses a partial amount of T€ 9,000 (previous year: T€ 9,000) remaining period up to one year. The interest rate is 4.65% and is agreed fixed for the remaining period.

The liabilities from subsidiaries relate to T€ 4,612 (previous year: T€ 4,612) loan liabilities from the Tata Steel Belgium Services NV. The loan is up to 30th December 2015 and is to redeem at the maturity period. The total amount shows remaining period of up to one year. The interest rate for the loan is fixed at 3.55%,/ 4.56%.
Further, they include a short term subordinate loan of T€ 20,000 (previous year: T€ 0) of Tata Steel Netherland BV. The loan is for a period of one year.

Securities were not provided for the loan of group.

From the total amount of liabilities from subsidiaries have T€ 81,444 (previous year: T€ 54,436) remaining period of one year and T€ 18,000 (previous year: T€ 31,612), and a remaining period of more than one year. All other liabilities have, as in previous year, remaining period up to one year.

The liabilities from subsidiaries include amount T€ 51,612 (previous year: T€ 31,614)
Loan liabilities with T€ 21,432 (previous year: T€ 25,715) Cash-Pool-Liabilities with T€ 18,742 (previous year: T€ 26,125)
Liabilities from deliveries and services and with T€ 7,658 (previous year: T€ 2,594) other liabilities.

The other liabilities exist with T€ 4,009 (previous year: T€ 1,824) from taxes and with T€ 249 (previous year: T€ 133) as part of social security.

Details on profit and loss account

6. The break-down of sales

	01.04.2014 to 31.03.2015 TЄ	01.04.2013 to 31.03.2014 TЄ
Stahlservice (cutting hot rolled steel strips)	231,641	406,506
Roof- wall covering for the construction sector	143,692	160,810
Rolling and refining cold strip	84,541	93,352
	459,874	**660,668**

	01.04.2014 to 31.03.2015 TЄ	01.04.2013 to 31.03.2014 TЄ
Domestic	328,487	509,849
Other countries of Europe	83,776	110,607
Third countries	47,611	40,212
	459,874	**660,668**

The decline in revenues, in the Stahlservice with Є 157 million, is based on final consolidation of Degels GmbH, in the previous year.

7. Other operating incomes

The other operating incomes include non-periodic income of TЄ 1,816 (previous year: 1,666). The non-period income relate to income from the reversal of accruals. The incomes include gain from currency translation, in accordance with § 277 (5) sentence 2 HGB amount TЄ 1,276 (previous year: TЄ 505).

8. Personal expenditure

The social insurance contributions and expenses for pensions relate with TЄ 2,263 (previous year: TЄ 2,380) to the pension.

9. Amortizations

The amortizations include unscheduled amortizations, in the previous year, on the fixed assets of Trierer Walzwerk GmbH of Є 2.3 million, due to planned closure.

10. Other operating expenditures

The other operating expenditures include non-periodic expenditures of TЄ 9 (previous year: TЄ 969). The expenditures include among others, loss from currency translation, of TЄ 104 (previous year: TЄ 409), in accordance with § 277 (5) sentence 2 HGB.

11. Other interest and similar incomes

The other interests and similar incomes include with T€ 5 (previous year: T€ 0) interest from subsidiaries. The interest from the discounting amount to T€ 26 (previous year: T€ 0).

12. Interest and similar expenditures

The interest and similar expenditures include with T€ 2,323 (previous year: T€ 1,872) interest to subsidiaries. The interest to subsidiaries relates above all, to the Tata Steel Belgium Services NV. The interests include T€ 2,392 (previous year: T€ 2,517) expenditures from the accumulation of provisions.

13. Extraordinary result

The extraordinary expense of amount T€ 724 (previous year: T€ 743) relates to the supplies for the provision of pension obligations i.S.v article 67 (1) sentence 1 EGHGB, as part of BilMoG-conversion and loss of T€ 536 in the previous year, from the final consolidation of Degels GmbH and of Burgdorfer Gründstücks GmbH.

14. Taxes from incomes and from the earning

All taxes from incomes and from earning are- non-periodic- as in the previous year

V. Other details

1. Other financial obligations

From rent- and leasing contracts exist subsequent other financial obligations:

	T€
2015/2016	3,506
2017/2018 to 2019/2020	9,484
After 2019/2020	6,238
	19,228

The rent- and leasing contracts include T€ 0 (previous year: T€ 120) obligations from subsidiaries.
These contracts show a financing alternative, by which a liquidity- and equity protection is obtained. There exists a risk that the leased and rented assets are not required. There exists possibility of avoiding capital lockup and no utilization risk is transferred to the group. The commitments against third parties amount to T€ 10,199 on the closing date and against subsidiaries T€ 24,650.

1. Average number of employees

	01.04.2014 to 31.03.2015 Number of	**01.04.2013 to 31.03.2014 Number of**
Employees	490	515
Commercial workers	497	530
Apprentices	12	10
	999	**1,055**

2. Derivative financial instruments

The valuation method and assumption underlying the valuation, with reference to the financial instrument used are displayed as follows: As on balance sheet date 31st March 2015, there exist currency futures with a nominal value of TUSD 13,386 (previous year: TUSD 5,920). The market value of these transactions amounts as on 31st March 2015 to T€ 631 (previous year: T€ +26); in so far provisions for contingent losses are formed from pending transactions. As on 31st mar 2015, there are nickel-hedging contracts with a nominal value of TUSD 380 and T€ 491 (previous year: T€ 891). The market value of these contracts amount, as on 31st March 2015 to TUSD 79 and T€ 38 (previous year: T€ 5). No valuation units have been formed, as per § 254 HGB. Underlying- and hedging transactions were booked separate from each other. The market specifies the equivalent value, which would be obtained, if the foreign exchange- and commodity contracts would have dissolved, as on the closing date. Here the market values are applied, which were certified by the contracting companies.

3. Comment on the cash flow statement

The cash flow statement was derived, in accordance with DRS 2 i.V.m § 342 (2), 297 (1) S. 1 HGB, corresponding to the so called "indirect method". In the financial resources all cash and cash equivalents as well as cash-pool-receivables or cash-pool-reliabilities are included. The financial resources underlying the cash flow statements are composed as follows:

	31.03.2015	**31.03.2014**	**31.03.2013**
	T€	**T€**	**T€**
Receivables from cash-pool	0	0	17,500
Liquid funds	8,497	8,308	12,169
Liabilities against banks	0	-1,310	0
Liabilities from cash-pool	-21,432	-25,715	-8,475
Financial resources	-12,935	-18,717	21,194

The payments from the sale of consolidated companies refer to the sale price from the sale of share, for the previous year, which are authorized only in the reporting year.

4. Group affiliation

The following companies have made use of exemption of § 264 para 3 HGB:

Name and head office
Service Center Gelsenkirchen GmbH, Gelsenkirchen
Hille & Müller GmbH, Düsseldorf
Trierer Walzwerk GmbH, Trier
Kalzip GmbH, Coblenz
Corus aluminum Verwaltungsgesellschaft GmbH, Düsseldorf
Blume Stahlservice GmbH, Mülheim/Ruhr
Fischer Profil gmbH, Netphen
Tata Steel International (Germany) GmbH, Düsseldorf

The above mentioned companies have to prepare- within the inclusion of consolidated financial statement- renouncing the annexes in accordance with § 284 ff HGb and situation report, in accordance with § 289 HGB. Likewise, in these companies annual audits in accordance with § 316 ff HGB and as well as disclosure of annual financial statements were renounced.

5. Auditor fees

The computed total fee of auditor amounts to T€ 336, for the fiscal year 2014/2015 towards the auditing services.

6. Transactions not carried out under normal market conditions

In the fiscal year 2014/2015, no transaction has taken place under normal market conditions, with relation persons / companies.

7. Financing the group

As cited in the situation report, the financing of group is and remains depending on the fund by the Tata Steel Belgium S   ervices NV, Berchem/Belgium and the Tata Steel Netherland BV, Velsen-Noord/Netherland.

8. Management

Management of TSG are

Alfred Philippi, Head of Operations Coordination Tata Steel Distribution Europe, Bielefeld (till 31.10.2015)

Mark Detering, Finance Director Sales & Marketing Tata Steel Europe, Aachen

Sandra Rost, Managing Director Tata Steel Germany, Grevenbroich (from 16.10.2014)

Harald Ehrlich, Integrity & Asset Protection Director Tata Steel Europe, Ratingen (from 16.10.2014)

The management remunerations has not been disclosed, since the reference of a member of this organ is being determined based on these details. The pension provision for former managing director amounts to T€ 1,010, as on balance sheet date.

Düsseldorf, dated 13th November 2015

Mark Detering
Sandra Rost
Harald Ehrlich

Development of Group's fixed asset

Acquisition- resp. manufacturing cost

	01.04.2014	**Additions**	**transfers**	**Disposal**	**Effect of Exchange rate**	**31.03.2015**
	€	**€**	**€**	**€**	**€**	**€**
I. Intangible assets						
1. The acquired concessions Industrial property rights And similar rights and assets As well as licences in such Rights and assets	12,473,960	107,529	0	421,406	46,298	12,206,381
2. Transaction or Goodwill	0	24,351	0	0	0	24,351
	12,473,960	131,880	0	421,406	46,298	12,230,732
II. Fixed assets						
1. Land and leasehold rights And buildings, including Buildings on third Party land	54,573,431	443,276	815,031	2,492,724	0	53,339,464
2. Technical plants And machines	184,638,209	1,606,898	936,536	34,605,626	1,569,732	157,145,749
3. Other equipments Factory and office Equipments	31,499,261	228,707	0	3,536,100	111,315	28,303,183
4. Advance payments And assets under Construction	6,718,414	3,983,059	-1,751,567	4,575,293	0	4,374,613
	280,429,315	6,262,390	0	45,209,743	1,681,047	243,163,009
III. Financial assets						
1. Shares on Subsidiaries	2,157,617	0	0	587,512	0	1,570,105
2. Investments	13,070	0	0	0	0	13,070
3. Other loans	192,580	0	0	10,182	0	182,398
	2,363,267	0	0	597,694	0	1,765,573
	295,266,542	**6,394,270**	**0**	**46,228,843**	**1,727,345**	**257,159,314**

Amortizations

	01.04.2014	Additions	Disposal	Effect of Exchange rate	31.03.2015
	€	€	€		€
I. Intangible assets					
1. The acquired concessions Industrial property rights And similar rights and assets As well as licenses in such Rights and assets	11,837,709	362,940	421,406	38,592	1 1,817,835
2. Transaction or Goodwill	0	4,870	0	0	4,870
	11,842,579	367,810	421,406	38,592	11,822,705
II. Fixed assets					
1. Land and leasehold rights And buildings, including Buildings on third Party land	38,857,777	1,056,239	1,535,652	0	38,378,364
2. Technical plants And machines	170,563,171	2,749,618	34,174,741	1,276,580	140,414,628
3. Other equipments Factory and office Equipments	28,265,882	733,219	3,536,100	8,309	25,471,310
4. Advance payments And assets under Construction	64,336	0	64,336	0	0
	237,751,166	4,539,076	39,310,829	1,284,889	204,264,302
III. Financial assets					
1. Shares on Subsidiaries	400,461	0	0	0	400,461
2. Investments	288	0	0	0	288
3. Other loans	0	0	0	0	0
	400,749	0	0	0	400,749
	249,994,494	**4,906,886**	**39,732,235**	**1,323,481**	**2 16,487,756**

Residual book value

	31.03.2015 €	31.03.2014 €
I. Intangible assets		
1. The acquired concessions Industrial property rights And similar rights and assets As well as licences in such Rights and assets	388,546	636,251
2. Transaction or Goodwill	19,481	0
	408,027	636,251
II. Fixed assets		
1. Land and leasehold rights And buildings, including Buildings on third Party land	14,961,100	15,715,654
2. Technical plants And machines	16,731,121	17,075,038
3. Other equipments Factory and office Equipments	2,831,873	3,233,379
4. Advance payments And assets under Construction	4,374,613	6,654,078
	38,898,707	42,678,149
III. Financial assets		
1. Shares on Subsidiaries	1,169,644	1,757,156
2. Investments	12,782	12,782
3. Other loans	182,398	192,580
	1,364,824	1,962,518
	40,671,558	**45,276,918**

The disposal of payments made in advance and construction in progress relate to a completed immobile property, amounting to TEUR 4,511, which is determined for sale (sale and lease back). The receivable is shown under other assets.

Consolidated –equity analysis

	Subscribed capital	Consolidated Retained Income	currency translation adjustment	Consolidated equity
	T€	T€	T€	T€
Dated 31.03.2013	**102,260**	**-48,552**	**1,671**	**55,379**
Remaining consolidated Income			-36	-36
Consolidated net loss		-28,671	0	-28,671
Dated 31.03.2014	**102,260**	**-77,223**	**1,635**	**26,672**
Remaining consolidated Income			107	107
Consolidated net loss		-25,651		-25,651
Dated 31.03.2015	**102.260**	**-102.874**	**1,742**	**1,128**

As on 31st March 2015, in accordance with individual financial statement of Tata Steel Germany GmbH, no amounts are for disbursements.

Consolidated-cash flow statement

	01.04.2014 to 31.03.2015 T€	01.04.2013 to 31.03.2014 T€
1. Net income for the period before Extraordinary items	-24,927	-27,392
2. Amortizations of non-current assets	4,906	8,453
3. Increase/reduction of provisions	3,238	-11,447
4. Profit/loss on disposals of property, plant And equipment	-1,986	19
5. Increase/decrease of reserves, the receivables From deliveries and services as well as other Assets, which are not assigned to investment- Or financing activity	5,021	-8,104
6.Increase/decrease in liabilities from deliveries And services as well as other liabilities, which Are not assigned to the investments or Financing activity	5,870	13,844
7. Cash flow from current business Activity	**-7,878**	**-24,627**
8. Proceeds from disposal of property, plant And equipment	2,928	1,772
9. Payments for investments in the fixed assets	-6,243	-7,762
10. Payments for investments in the intangible Assets	-108	-36

11. Proceeds from the disposal of financial assets	952	9
12. Proceeds from the sale of consolidated Group and business units	1,592	-267
13. Payments from the acquisition of consolidated Group and business units	-301	0
14. Cash flow from the investment activity	**-1,180**	**-6,284**
15. Proceeds from the issuance corporate loans	20,000	0
16. Proceeds from the issuance of (financial) Credit	3,840	0
17. Payments from repaying corporate loans	-9,000	-9,000
18. Cash flow from the financial activity	**14,840**	**-9,000**
19. Changes in the financial resources affecting Payments	**5,782**	**-39,911**
20. Liquid funds at the start of the period	-18,717	21,194
21. Liquid funds at the end of period	**-12,935**	**-18,717**

Auditor's certificate

We have checked the consolidated financial statement, prepared by the Tata Steel Germany GmbH, Düsseldorf, consisting of profit- and loss statement, annex, cash flow statement and equity analysis- and group management report, for the fiscal year from 1st April 2014 to 31st March 2015. The preparation of consolidated annual statement and group management report, in accordance with the customary specification, exists in the responsibility of management of company. Our task is in making a comment on the consolidated financial statement and on the group management report, based on the inspection conducted by us.

We conducted our audit of the consolidated financial statement in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements, promulgated by the Institute of auditor. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report, are detected with reasonable assurance.

As part of audit, the effectiveness of accounting related internal controlling system and verification of data, in the consolidated financial statement and group management report are assessed, predominantly based on sampling. The audit comprises the assessment of annual-financial statement of companies incorporated in the consolidated financial statement, the delimitation in the consolidated companies, applied accounting – and consolidation principles and of essential estimation of management as well as evaluating the overall presentation of the consolidated financial statement and the group management report. We believe that our audit provide sufficient base for our assessment.

Our audit has not resulted in any objections.

As per our assessment, based on the knowledge gained in the audit, comply with consolidated financial statement of Tata Steel Germany GmbH, Düsseldorf, the legal specifications and gives considering the principles of orderly book keeping the fair view of the net assets, financial position and results of operation of the group. The group management report is consistent with the consolidated financial statement, gives on the whole accurate picture of the group situation and presents the possibilities and risks of later development.

Without wanting to limit this assessment, we refer to the group management report on section II. 7. Afterwards the financing of the group depends on safeguarding the funding by subsidiaries. Further, a letter of comfort was issued for ensuring the continuity of business activity of Tata Steel Germany GmbH, from the side of Tata Steel Netherland BV Ijmuiden/Netherland; this is limited till to the adoption of consolidated financial statement, by the shareholders.

Düsseldorf, dated 31st March 2016

Deloitte & Touche GmbH

Auditing company
Signed Graetz, Auditor
Signed Liesbrock, Auditor

The consolidated financial statement for 31st March 2015 was endorsed on 31.03.2016.

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.