

Reconciliation of I-GAAP Financials to Local Statutory Accounts - March 2016

0010423

Hoogovens USA

USD

	Profit/(Loss) after Tax	Net Assets	Commentary on Differences
I-GAAP as per GRS:	57,390	73,203,634	
Differences:			
GAAP Difference	1,389,816	(11,283,467)	(\$9,893,651) GAAP Investment adj; (\$1,389,816) tax account adj
Audit/Late Adjustment			
Different Year End than March 2016			
Other			Rounding
Total Difference	1,389,816	(11,283,467)	
Local Statutory Accounts:	1,447,206	61,920,167	
Check (Should be Zero)	0	0	

Notes:

Entities should input the numbers recorded in their local statutory accounts (in the same currency) for Profit/(Loss) after Tax and Net Assets into row 25 of this spreadsheet. The values entered in row 11 are the values recorded in GRS under Indian GAAP. Any difference between the two numbers should be reconciled by using the categories provided (shown in green shaded cells). Any 'Other' adjustments require a description of what the adjustment relates to. The 'Check' in row 25 should be zero before the spreadsheet is submitted to Group Finance.

Profit/(Loss) after Tax is the Indian GAAP definition which, in GRS, is Profit after Tax (20050009) less Share of JV/Associate Result (25510009).

Commentary on Differences (column F) should be used to provide further explanations. Expected information to be given in this column would include the following:

- Local GAAP Adjustment - What are the major GAAP adjustments (e.g. deferred tax) and what value arises because of this
- Late Adjustment - Details on what has been adjusted between GRS submission and completion on statutory accounts
- Different Year End - The year end used in the Statutory accounts
- Other - Full explanation of adjusting factors

*[Signature]* 6-29-16

**HOOGOVENS USA, INC.**  
**BALANCE SHEET**  
**March 31, 2016**

**ASSETS**

**CURRENT ASSETS**

Cash in Bank - Ckg	\$ 2,074,251.01
Due From Hille & Mueller USA, Inc.	-
Due From Thomas Processing Co.	798,585.00
Interest Receivable - CNBV	23,760.00
Loan Receivable - CNBV	6,600,000.00
Income Tax Receivable	202,000.00
<b>Total Current Assets</b>	<b>\$ 9,698,596.01</b>

**OTHER ASSETS**

Federal Deferred Tax Asset	\$ 2,525,000.00
Federal Deferred Tax Asset Valuation Allow	(2,525,000.00)
Deferred Tax Offset	-
State Deferred Tax Asset	166,384.00
State Deferred Tax Asset Valuation Allow	(166,384.00)
Investment - Thomas Steel Strip Corp.	33,590,557.07
Investment - Hille & Mueller USA Inc.	18,045,904.94
Investment - Corus Coatings USA Inc.	-
Investment - Apollo Metals Inc.	4,528,380.77
Investment Adjustment (for audit)	(3,943,271.00)
<b>Total Other Assets</b>	<b>\$ 52,221,571.78</b>

**TOTAL ASSETS** **\$ 61,920,167.79**

**LIABILITIES**

**CURRENT LIABILITIES**

Due To Thomas Steel Strip Corp.	\$ -
Due to Corus Coatings. Inc.	-
Due to Apollo Metals Ltd	-
Due to Corus Steel USA	-
Due to Corus America, Inc.	-
Accrued Interest Payable - CNBV	-
Accrued Expenses	-
Accrued Federal/State Tax Payable	-
Loans Payable - CNBV	-
Tax Sharing - Intercompany Payable/(Receivable)	-
Hille & Mueller	-
Thomas Steel Strip	-
Corus Coatings USA	-
Apollo Metals Ltd	-
<b>Total Current Liabilities</b>	<b>\$ -</b>

**EQUITY**

<b>CAPITAL STOCK</b>	\$ 66,733,179.00
<b>RETAINED EARNINGS</b>	(6,260,217.70)
<b>INCOME (LOSS) FOR THE YEAR TO DATE</b>	<u>1,447,206.49</u>
<b>Total Equity</b>	<b>\$ 61,920,167.79</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 61,920,167.79</b>

**HOOGOVENS USA, INC.**  
**STATEMENT OF INCOME & EXPENSE**  
**March 31, 2016**

**INCOME**

Increase in Equity of Thomas Steel Strip Corp.	\$	(1,280,889.00)
Increase in Equity of Hille & Mueller USA Inc.		11,400.00
Increase in Equity of Hoogovens Coatings USA Inc.		-
Increase in Equity of Apollo Metals, Inc.		2,689,305.00
Interest Income		-
Interest Income - CNBV		116,322.49
<b>TOTAL INCOME</b>	<b>\$</b>	<b>1,536,138.49</b>

**EXPENSE**

Travel Expenses	\$	-
Bank Fees		90.00
Professional Services		-
Professional Sevices from CAI		58,842.00
Interest Expense - CAHI		-
Interest Expense - CNBV		-
State Franchise Tax		-
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>58,932.00</b>
<b>INCOME BEFORE TAXES</b>	<b>\$</b>	<b>1,477,206.49</b>
Federal Tax Expense	\$	30,000.00
State Tax Expense		-
Deferred Federal Tax Expense		-
Deferred State Tax Expense		-
<b>TOTAL TAXES</b>	<b>\$</b>	<b>30,000.00</b>
Gain on Sale of Group Company	\$	-
<b>NET PROFIT (LOSS)</b>	<b>\$</b>	<b>1,447,206.49</b>