Layde Steel, S.L.U.

Independent Audit Report

Annual Accounts and Management Report
for the Financial year ending on
March 31, 2015

INDEPENDENT AUDIT REPORT OF ANNUAL ACCOUNTS

To the Sole Partner of
Layde Steel, S.L.U.:

Report about the annual accounts

We have audited the attached annual accounts of Layde Steel, S.L.U, a company belonging to the TATA Group (Notes 1 and 10), comprising the balance sheet as on March 31, 2015, the profit and loss account, the state of changes in the net assets, the state of cash flows and the report corresponding to the financial year ending on the above said date.

Responsibility of the Management in relation to the Annual Accounts

The management is responsible for preparing the attached annual accounts, in the form that express the faithful image of the net worth, the financial situation and the results of Layde Steel S.L.U, in conformity with the normative frame of financial information applicable to the entity in Spain, identified in Note 2a of the attached report and the internal audit that are considered necessary for permitting the preparation of the annual accounts free from material misstatements due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion about the attached annual accounts based on our audit. We have carried out our audit in conformity with the regulatory normative of the activity of audit of accounts prevailing in Spain. This normative requires that we comply with the requirements of ethics as well as that we plan and execute the audit in order to obtain a reasonable assurance that the annual accounts are free from material misstatements.

An audit requires application of the procedures for obtaining evidence of audit about the amounts and information revealed in the annual accounts. The procedures selected depend on the auditor's judgment including the assessment of risk due to material misstatements in the annual accounts due to fraud or error. In order to effect the said risk assessments the auditor takes in to account the internal audit relevant for the preparation of the annual accounts by the entity so as to design the audit procedures that are adequate according to the circumstances, and not for the purpose of expressing an opinion about the efficacy of the internal audit of the entity. An audit must also include evaluation of the adequacy of the accounting policies applied and the rationality of the accounting estimations carried out by the management as well as the evaluation of the presentation of the annual accounts taken as a whole.

We consider that the evidence of audit that we have obtained provides a sufficient and adequate basis for our qualified audit opinion.

Basis of qualified opinion

The Company has posted from previous years a tax credit amounting to 5.7 million euros approximately (Note 13). Considering the situation of losses in which the Company is at present and the current market situation, we understand that the conditions for activating the said tax credits are not fulfilled, which should have been discharged in the previous financial years and which, if done, would have reduced the amount under the head "Net assets" without effect on the results of the current and previous financial years, according to the accounting principles generally accepted in Spain. This fact marked an exception in our audit report of the previous year.

The attached report of financial year 2015 does not contain the information required under article 260 of the Capital Company Law as regards the remuneration accrued, obligations contracted and credits granted in the financial years 2015 and 2014 in respect of the personnel of the Senior Management and members of the Board of Directors. The audit report of the previous financial year included an exception for this concept.

From financial year 2010 the Company has been incurring relevant negative operating results so that as on March 31, 2015 (as well as on March 31, 2014) the net assets of the Company turn out to be negative. This is indicative of a deterioration of the fixed assets of the Company which might be signifying the fact that, according to the accounting principles applicable, there is a need to carry out a deterioration test for determining the recoverable value of the operative assets of the Company or updated market evaluations of these. In this sense, and as described in Note 4.c of the attached report, during the previous financial year an independent third party carried out a valuation of all assets owned by the Company. Our opinion of the audit corresponding to the financial year ending on March 31, 2014 included an exception, the effect of which was not possible to quantify, for the deterioration that would have been necessary to register only in respect of the values of the assets registered under the head "Tangible fixed assets - technical installations and other tangible fixed assets" of the non-current asset, insofar as, after reviewing the valuations mentioned as part of the audit procedures, we conclude that those carried out on the Land and Buildings themselves were found to be adequate to the requirements of accounting standards. As regards the current financial year, in view of the fact that as on the date of this report we have not arranged a deterioration test to determine the recoverable value of the plant and equipment as a whole from its value in use nor have arranged from market valuations (similar to those obtained in the previous financial year), we cannot conclude about the deterioration that, according to the accounting regulations in force, would be necessary to register in respect of the values for which the elements of tangible assets find recorded in the attached annual accounts as on 31 March 2015 (9,766 thousand euros) nor consequently evaluate the possible effect on the profit and loss account of this year and on the comparative figures, on having provided such information.

Qualified opinion

In our opinion, except for the effects and the possible effects of the facts described in the paragraph “Basis of qualified opinion”, the attached annual accounts express, in all significant aspects, a faithful image of the assets and of the financial situation of the Company Layde Steel, S.L.U as on March 31, 2015, as well as of the results of its operations and cash flows corresponding to the financial year ending on the said date, in conformity with the applicable normative frame of financial information and, in particular, with the accounting principles and criteria contained therein.

Emphasis-of-matter paragraph

We draw the attention to the content of Note 2.e of the attached report, in which it is indicated that the Company has incurred significant losses in the previous financial years which have significantly reduced its net assets to the extent of making it negative, before considering the effects that could result from the exceptions included in this report. These conditions indicate the existence of significant uncertainty as regards the capacity of the Company to realize its assets and to meet its liabilities in the normal course of business operations and by the amounts and in accordance with the classification set out in the annual accounts, which depend on the evolution of the factors described in Note 2e of the attached report. Nevertheless, the Management has prepared the attached annual accounts in accordance with the principle of a functioning company because of which they think that they have taken necessary actions for managing the effects of the current situation, which together with the financial and economical support of the TATA Group to which it belongs, will allow the Company to continue with its operations in future (Notes 1, 2.e, 10 and 14). This issue does not change our opinion.

Similarly, we draw attention to the content of Note 14 of the attached Report in which it is detailed that the Company makes an important part of its purchases at the TATA Group companies to which it belongs, being financed in turn by the latter for maintaining the activity and for meeting the obligations in the normal course of the business. Consequently, the annual accounts of the Company have to be understood in the context of the Group to which it belongs. This issue does not change our opinion.

Report on other legal and regulatory requirements

The attached management report of the financial year ending on March 31, 2015 contains the explanations which the management considers appropriate to the situation of the Company, the evolution of its business and on other matters and does not form an integral part of the annual accounts. We have verified that the accounting information, which contains the said management report, agrees with that of the annual accounts of the financial year 2015. Our work as auditors is confined to the verification of the management report with the scope mentioned in the same paragraph and does not include the revision of information other than that obtained from the accounting registers of the Company.

DELOITTE, S.L
Registered in R.0.A.C No. S0692
(Signature)

Mariano Cabos
3rd July 2015

[Auditors' Seal]
Practicing Member
DELOITTE, S.L

Year 2015 No. 03/15/02766
Corporate Seal: 96 Euro

[Report subject to fees in accordance with Article 44 of the revised text of the Law on Auditing of Accounts approved by Royal Legislative Decree 1/2011, of 1st July]

LAYDE STEEL, S.L.U.

BALANCE SHEET AS ON MARCH 31, 2015 AND 2014 (Notes 1, 2 and 4)
(thousand euros)

ASSETS	Report Note	31.03.15	31.03.14 (*)	TOTAL EQUITY AND LIABILITIES	Report Note	31.03.15	31.03.14 (*)
NON-CURRENT ASSET:		15,599	17,087	TOTAL EQUITY:		(17,060)	(12,233)
Fixed assets intangible		111	98	SHARE HOLDERS EQUITY	10	(17,060)	(12,233)
Computer Applications		111	98	Capital-		5,000	5,000
Tangible fixed assets	5	9,766	11,268	Registered Capital		5,000	5,000
Land and buildings		6,707	6,989	Reserves-		19,146	19,146
Technical installations and other tangible fixed assets		2,871	4,172	Other reserves		19,146	19,146
Fixed assets current and advances		188	107	Results of previous financial years -		(36,379)	(30,157)
Financial investments long term		5	4	Negative Results of previous financial years		(36,379)	(30,157)
Other financial assets		5	4	Result of the financial year - (Loss)		(4,827)	(6,222)
Assets by deferred tax	13	5,717	5,717				
				NON- CURRENT LIABILITIES:		47,000	47,500
				Long term Debts with group companies of the and partners -	14	47,000	47,500
				Long term Credits		17,000	32,500
				Equity loan	10 and 14	30,000	15,000
CURRENT ASSETS:		36,828	29,696	CURRENT LIABILITIES:		22,487	11,516
Stocks	8	16,790	13,912	Short term Provisions	11	-	7
Raw materials and other supplies		8,636	6,003	Short-term debts	5	156	141
Products in progress		4,837	4,576	Short term debts with group companies and partners -	14	839	-
Finished products		3,217	3,333	Commercial creditors and other accounts payable -		21,492	11,368
Commercial debtors and other accounts receivable	7	18,224	14,922	Suppliers		4,257	3,604
Trade receivables for sales and services		18,211	14,917	Suppliers, group companies and partners	14	13,304	4,380
Clients, group companies and partners	14	11	1	Creditors sundry		1,129	940
Personnel		2	2	Personnel (remunerations pending payment)		569	559
Other credits with Public Administrations	13	-	2	Other debts with Public Administrations	13	1,903	1,865
Accruals		84	74	Advances from clients		330	-
Cash and other equivalent liquid assets -	9	1,730	788				
Treasury		1,730	788				
TOTAL ASSETS		52,427	46,783	TOTAL EQUITY AND LIABILITIES		52,427	46,783

(*) Given exclusively for comparison purposes.

Notes 1 to 15 described in the attached Report is an integral part of the balance sheet as on March 31, 2015.

LAYDE STEEL, S.L.U

PROFIT AND OF LOSS ACCOUNTS CORRESPONDING TO THE FINANCIAL YEARS ENDING ON MARCH 31, 2015 AND 2014 (Notes 1, 2 and 4)

(thousand euros)

	Report Note	Financial year 2015	Financial year 2014 (*)
CONTINUED OPERATIONS:			
Net amount of turn over -	12.a	112,132	108,339
Sales		112,132	108,282
Services provided		-	57
Change of stock of finished products and under production	8	245	20
Supplies -		(97,920)	(96,201)
Consumption of raw materials and other consumables	12.b	(97,709)	(96,165)
Works done by other companies		(168)	(109)
Deterioration of goods, raw materials and different supplies	8	(23)	73
Other Income from operation -		24	(13)
Casual and other income from current management		24	(16)
Subsidies of operation incorporated into the result of the financial year		-	3
Staff costs	12.c	(6,659)	(6,383)
Salaries, wages and similar		(5,140)	(4,981)
Social security charges		(1,519)	(1,402)
Other operating expenses -		(8,437)	(7,758)
Outsourcing	12.d	(8,407)	(7,788)
Taxes		(79)	(160)
Losses, deterioration and change of provisions by commercial operations	7	(1)	191
Depreciation of fixed assets	5	(1,679)	(1,790)
Deterioration and results from disposals of fixed assets		-	(18)
Results from disposals and others		-	(18)
Other results	12.a	112,132	108,339
RESULT OF OPERATION		(2,344)	(3,804)
Financial income		87	43
From marketable securities and other financial instruments			9
From third parties			9
Financial expenditure -		(2547)	(2452)
For debts with group companies and partners	14	(2,505)	(2,406)
For debts with third parties		(42)	(44)
Exchange differences		(23)	(8)
FINANCIAL RESULTS		(2,483)	(2,417)
RESULT BEFORE TAXES		(4,827)	(S,222)
Taxes on profits	13	-	-
REBULTOF THE FINANCIAL YEAR PROCEEDING FROM CONTINUED OPERATIONS		(4,827)	(6,222)
RESULT OF THE FINANCIAL YEAR		(4,827)	(6,222)

(*) Given exclusively for comparison purposes.

Notes 1 to 15 described in the attached Report are an integral part of the profit and loss account corresponding to the financial year ending on March 31, 2015.

LAYDE STEEL, S.L.U.

STATE OF CHANGES IN THE NET ASSETS OF THE FINANCIAL YEARS ENDINGON MARCH 31, 2015 AND 2014 (Notes 1, 2 and 4)

A) STATE OF INCOME AND EXPENSES RECOGNIZED
(thousand euros)

	Financial year 2015	Financial year 2014 (*)
RESULT OF THE PROFIT AND LOSS ACCOUNT (I)	(4,827)	(6,222)
TOTAL INCOME AND EXPENDITURE RECOGNIZED DIRECTLY IN THE NET ASSETS (II)		
TOTAL TRANSFERENCES TO THE PROFIT AND LOSS ACCOUNT (III)		
TOTAL INCOME AND EXPENDITURE RECOGNIZED (I+II+III)	(4,827)	(6,222)

B) TOTAL STATE OF CHANGES IN THE NET ASSETS
(thousand euros)

	Registered Capital	Voluntary Reserves	Other Reserves	Results of previous financial years	Result of the financial year	Total
INITIAL BALANCE AS ON APRIL 1, 2013 (*)	6,146	18,000	-	(20,397)	(9,760)	(6,011)
Total income and expenditure recognized	-	-	-	-	(6,222)	(6,222)
Other changes of the net assets - Distribution of the result of 2013	-	-	-	(9,760)	9,760	-
Transactions with shareholders - Capital reduction (Note 10)	1,146	1,146	-	-	-	-
FINAL BALANCE AS ON MARCH 31, 2014(*)	5,000	19,146	-	(30,157)	(6,222)	(12,233)
Total income and expenditure recognized	-	-	-	-	(4,827)	(4,827)
Other changes of the net assets - Distribution of the result of 2014	-	-	-	(6,222)	6,222	-
FINAL BALANCE AS ON MARCH 31, 2015	5,000	19,146	-	(36,379)	(4,827)	(17,060)

(*) Given exclusively for comparison purposes.
Notes 1 to 15 described in the attached Report are an integral part of the Total state of changes in the net assets corresponding to the financial year ending on March 31, 2015.

LAYDE STEEL, S.L.U.

STATE OF CASH FLOWS OF THE FINANCIAL YEARS

ENDING ON MARCH 31, 2015 AND 2014 (Notes 1, 2 and 4)

(thousand euros)

	Report Note	Financial year 2015	Financial year 2014 (*)
CASH FLOWS FROM THE OPERATING ACTIVITIES (I)		1,618	(2,559)
Result of the financial year before taxes		(4,827)	(6,222)
Adjustments to results for:		4,163	3,953
Depreciation of fixed assets	5	1,679	1,790
Valuation corrections for deterioration	7 and 8	24	(264)
Losses on derecognition and disposal of fixed assets	5		16
Financial Income		(87)	(43)
Financial expenses		2,547	2,452
Changes in the current capital		3,910	2,177
Stock	8	(2,901)	1,656
Debtors and other accounts receivable		(2,973)	1,477
Other current assets		(10)	4
Creditors and other accounts payable		9,794	(960)
Other cash flow from operating activities		(1,628)	(2,467)
Payments of interests	14	(1,708)	(2,456)
Interest received		87	43
Other payments	11	(7)	(54)
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)		(176)	(263)
Payments for Investments		(176)	(263)
Intangible fixed assets		(50)	(35)
Tangible fixed assets	5	(125)	(226)
Other assets		(1)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES (III)		(500)	1,650
Receipts and payments from financial liability instruments	14	(500)	1,650
Debt issuance with group companies and partners		(500)	1,650
NET DECREASE / INCREASEOF THE CASH OR EQUIVALENTS (I+II+III)		942	(1,172)
Cash or equivalent at the beginning of the financial year		788	1,960
Cash or equivalent at the end of the financial year		1,730	788

(*) Given exclusively for comparison purposes.

Notes 1 to 15 described in the attached Report are an integral part of the State of cash flows corresponding to the financial year ending on March 31, 2015.

Layde Steel, S.L.U.

Report of the financial year ending on

March 31, 2015

1. General Information

The core activities of Layde Steel, S.L.U. (hereinafter, "The company") are manufacture, sale and marketing of steel products, as well as management and information services and business administration, administration in general, and disposal of movable property, real estate and securities.

The activities of the Company are centered on cold lamination of steel bobbins, stripping and cutting for various segments of clients, automotive being the most significant.

The sole industrial installation of the Company as well as its registered and corporate offices is located in Durango (Vizcaya).

With effect from February 4, 2005, the Company changed its name from Corus Iberia, S.L.U. to Corus Lamination and Derivatives, S.L.U, the corresponding entry is made in the Commercial Register. With effect from December 17, 2004 the Sole Partner of Corus Iberia, S.L.U. (at present Layde Steel, S.L.U.) and the Company itself, as the Sole Shareholder of Lamination and Derivatives, S.A.U., decided to merge the two companies, so that Corus Iberia, S.L.U. as the acquiring company, absorbed all the assets of Lamination and Derivatives, S.A.U. (absorbed company), which remained dissolved without liquidation, transferring its assets in block to the former. The general terms, as well as the effects of the said merger are given in detail in the Report of the annual accounts for the financial year 2004. With effect from December 9, 2010 the Company changed its name Corus Lamination and Derivatives, S.L.U. to Layde Steel, S.L.U.

The Company is controlled by British Steel Netherland International, B.V., a company of Dutch nationality, which holds 100 % of the shares of the Company and is integrated to the TATA Steel Group (Notes 10 and 14).

2. Bases of presentation

a) Regulatory Framework of the financial information applicable to the Company

These annual accounts have been prepared by the Management in accordance with the regulatory frame of financial information applicable to the Company, laid down in:

a) The Code of Commerce and other mercantile legislation.

b) The General plan of Accounting approved by the Royal decree 1514/2007 and its Sectorial adaptations.

c) The mandatory norms approved by the Institute of Accounting and Auditing of Account under the General Plan of Accounting and its complementary norms.

d) All other Spanish accounting regulations applicable.

b) Faithful image

The annual accounts have been obtained from the accounting registers of the Company and are presented in accordance with the applicable normative frame of financial information and in particular, the accounting principles and criteria contained in it, so that they show the faithful image of the assets, the financial situation, the results of the Company and the cash flows during the corresponding financial year.

These annual accounts, which have been prepared by the Management of the Company, will be submitted for the approval of the Sole Partner, assuming that these will be approved without any changes. On his part, the annual accounts of the financial year ending on March 31, 2014 were approved by the Sole Partner in the General Meeting convened on 12th December of the same year.

c) ***Non-mandatory Accounting Principles applied***

Non-mandatory Accounting Principles have not been applied. Additionally, the Management has prepared these annual accounts taking in to consideration the totality of the accounting principles and norms of mandatory application, which have a significant effect on the said annual accounts. No mandatory accounting principle has been excluded from being applied.

d) ***Critical aspects of the evaluation and estimation of uncertainty***

In the preparation of the annual accounts the estimations made by the Management of the Company have been used for the valuation of some of the assets, liabilities, income, expenditure and commitments that are reflected in them. Basically these estimations refer to:

- The evaluation of possible deterioration losses of certain non-current assets (Notes 4.c and 5)
- The useful life of the tangible and intangible assets (Notes 4.a, 4.b and 5)
- The evaluation of the recoverability of the fiscal credits according to the positive tax bases of the next 10 years (Note 13)
- The calculation of provisions (Note 11)
- The calculation of the deterioration of value of the stocks by the net value of realization and obsoleteness (Notes 4.e and 8) and of their accounts receivable (Notes 4.d and 7)

The Management of the Company estimates that there are no significant contingent liabilities for the Company as on March 31, 2015 (Note 4.j).

Although these estimations have been made on the basis of the best available information at the end of the financial year 2015, it is possible that events that may take place in the future may force to modify these (to increase or decrease) in the next financial years, which would be done, as applicable, prospectively.

e) ***Operating Company***

From the financial year 2010 the Company has been incurring operating losses on account of, among other factors, the general market situation in the previous years. Although up to the beginning of the financial year 2014 the demand level remained at a level lower than expected, the market began to show signs of recovery and during the financial year ending on March 31, 2015 the Company has managed to increase the tonnage sold by approximately 13 % with regard to the previous financial year.

In the opinion of the Management, measures have been taken both in the previous financial years and in the current financial year, endorsed and validated by the TATA Steel Group to which the Company belongs, to mitigate the factors that have caused the continuous operating losses in the previous financial years. In this sense, from the beginning of the financial year 2013 the Company is engaged in a process of strategic change of face for improving the profitability of its products by adaptation to the current market based on a change in the product mix, promoting the services center line and lamination of special steels of better profitability. The proposal for financial year 2016 approved by the Management of the Company is based on certain hypotheses and market tendencies that include mainly an improvement of the sector in which it operates, an increase in the presence of the Company in European markets, as well as securing of contracts in the automotive sector, provided by the TATA Steel Group, which reverberates in an increase in the demand for the tonnages produced by the Company and which contemplates the receipts of sufficient income to cover the operating costs projected for the financial year ending on March 31, 2018. The said plan includes some projected sales of 186 thousand tons for the financial year ending on March 31, 2016. In turn it contemplates an increase of 2 million euros from the operating results and 1 million euros in cash flows from the operating activities in the financial year ending on March 31, 2016, as against the margin obtained in the previous financial year.

Besides, the Sole Partner continues to support the Company by renewing two credit lines with which the Company has been financing its operations and bridging them, one single line in such a way that the amount available increases to 28 million euros with a repayment period of 18 months, which represents maintenance the of working capital at the closing date of the financial year.

Deepening the financial support that the Group provides to the Company, it has two equity loans for amounts of 15 million euros each. On the one hand, with effect from March 30, 2013, the Group has converted part of the granted credit line in to equity loan for an amount of 15 million euros, for correcting the asset imbalance caused by the losses of the previous financial years. On the other hand, with effect from December 30, 2014 the Group has converted part of the earlier mentioned credit line in to another equity loan for an amount of 15 million euros for correcting the asset imbalance afresh.

Additionally, from the previous financial year, through one of its branches, the Group has subscribed to a credit transfer policy (“Non-recourse factoring") with the Company for financing certain receivable accounts (Notes 4.d and 14).

In conclusion, the Company receives financial and managerial support of the Group to which it belongs, renewing, in general, annually the credit lines necessary for financing the operations. Consequently, the Management does not have any doubt about the economic and financial support on the part of the Group so that the Company can meet its financial obligations normally, and thus guarantee continuity of the Company.

The Management of the Company has neither taken nor intends to take any decision that could significantly alter the accounting value of the items of assets and liabilities, or the term in which the assets will be realized or the liabilities will be liquidated.

f) Grouping of parts

Certain parts of the balance sheet, profit and loss account, state of changes in the net assets and state of cash flows are given in grouped form to facilitate their comprehension, although, in significant measures, individual information has been included in the corresponding notes of the report.

g) Changes in accounting criteria

During the financial year 2015 there has been no significant changes in the accounting criteria with regard to the criteria applied in the financial year 2014.

h) Correction of errors

In the preparation of the attached annual accounts no significant error has been detected that would have caused re-expression of the amounts included in the annual accounts of the financial year 2014.

i) Comparison of the information

The information contained in this Report referred to the financial year 2015 gives the information relating to financial year 2014 for comparison purposes.

3. Application of the result

The proposal of application of the result of the financial year prepared by the Management of the Company and which will be submitted for the approval of the Sole Partner is as follows (in thousand euros):

	Financial year 2015
To negative results of previous financial years	(4,827)
Total	**(4,827)**

4. Norms of record and evaluation

The principal norms of record and evaluation used by the Company in the preparation of its annual accounts for the financial years 2015 and 2014, according the provisions specified by the General Plan of Accounting, are the following:

a) Intangible Fixed assets

As general norm, the intangible fixed assets are valued initially by their acquisition price or production cost. Later on, it is valued at its cost reduced by the corresponding accumulated depreciation and, as applicable, by the losses due to deterioration that it has undergone. The said assets are amortized according to their useful life.

Computer applications

The licenses for computer programs acquired from third parties are capitalized on the basis of the expenditure incurred to acquire them and to prepare them for using the specific program. These costs are amortized during its estimated useful life (5 years). The expenses related to the maintenance of computer programs are recognized as expenditure as and when incurred.

During the financial year the Company has made improvements (upgraded) the software of supply chain, planning and bidding at a cost of 49 thousand euros. The depreciation corresponding to the financial year 2015 amounts to 37 thousand euros (34 thousand euros in the financial year 2014).

b) Tangible Fixed assets

The items of the tangible fixed assets are recognized by their acquisition price or production cost, less the accumulated depreciation and the accumulated amount of losses recognized. As a consequence of the merger operation effected in the financial year 2004 (Note 1), the absorbing company Layde Steel, S.L.U. (formerly Corus Iberia, S.L.U.), has acquired, among other assets, the tangible fixed assets of Lamination and Derivatives, S.A.U (the absorbed company) at their values in the absorbed company plus certain capital gains arising after the merger process and incorporated at their net book value plus the said appreciations.

The amount of the works done by the company for its own tangible fixed assets is calculated by adding up the acquisition cost of the consumables and the direct or indirect costs chargeable to the said goods. The costs of enlargement, modernization or improvement of the items of the tangible fixed assets are added to the assets as the greater value of the item exclusively when an increase in its capacity, productivity or extension of useful life is assumed, and provided that it is possible to know or estimate the book value of the items that are written off from the inventory on being replaced.

The costs of important repairs are activated and are amortized during their estimated useful life, while the recurring maintenance costs are booked in the profit and loss account during the financial year in which they incur.

The depreciation of the Tangible Fixed assets, with the exception of the lands that are not amortized, is calculated systematically by the linear method according to their estimated useful life, considering the depreciation actually suffered through operation, use and enjoyment. As a result of the study of evaluation of the appreciation arising as consequence of the merger operation mentioned above, the useful residual lives were re-estimated to apply to the net book value of the different heads of the Tangible Fixed assets, as follows:

	Residual useful life, Years
Buildings	10-16
Technical installations and machinery	7-12
Tooling	4
Furniture	5
Data processing equipment	4

On the other hand, the Company maintains the following depreciation coefficients applicable to the additions of fixed assets after the closing of the financial year 2004:

	Useful life, Years
Buildings	30
Technical installations and machinery	10
Tooling	5
Furniture	10
Data processing equipment	5
Transport items	14

The useful life of the assets is revised, adjusting if it is necessary, on the date of each balance sheet.

When the book value of an asset is higher than its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 4.c).

The losses and profits by the sale of tangible fixed assets are calculated comparing the income obtained by the sale with the book value and are taken in the profit and loss account.

The financial expenses directly attributable to the acquisition or construction of the elements of the fixed assets, which require a period of more than one year so as to be in conditions of use, are added to their cost until they are in operating conditions.

c) Deterioration of the value of intangible and tangible assets

When there is any indication of deterioration an estimation of the recoverable value of the said assets is made for determining the amount of write-off, if it is finally necessary. The recoverable amount will be the higher of the market value less its sale cost or the value in use, considering this as the present value of estimated future cash flows.

In the case when the recoverable amount is lower than the net book value of the assets, the amount of difference is taken as the corresponding deterioration loss and charged under head "Deterioration and results from disposal of fixed assets" of the Profit and loss account and credited under "Intangible Fixed assets" or "Tangible fixed assets", as appropriate, of the balance sheet.

Where a deterioration loss of value is subsequently reversed, the book value of the asset is increased to the revised estimate of its recoverable amount, but in such a way that that the increased book value does not exceed the book value that would have been determined without any deterioration loss recognized in previous financial years. The said reversion of a deterioration loss of value is recognized as income.

During the financial year 2014, a third independent assessor has carried out an appraisal of the assets owned by the Company in order to assess the recovery value of the same. The appraisal was conducted from February 5, 2014, and land, buildings and other constructions, machinery, internal transport, installations, tools and hardware, furniture and data processing equipment were included in the evaluation. The object assets of the appraisal were valued pricing under cost and market criteria and under the hypothesis of "Continuous Use" and "Assumed Benefits," so that the capacity of the assets valued to generate future income has not been questioned. On the other hand, the following methods were used for the appraisal:

Cost Method:

This method consists in estimating the Cost of Restoration to New, which would be the cost required to replace a property by another new one, using the latest technology and construction materials, reproducing the capacity and utility of the existing property and deducting from this value the resultant depreciation due to physical deterioration and obsolescence. This method has been applied for the evaluation of the machinery, installations, internal transport, furniture and data processing equipment.

Market Method:

With this method the value of the property is estimated based on others having similar characteristics, recently sold or in the process of sale.

Static and Dynamic Residual method:

This Residual method was applied for the valuation of the land of the Company and it departs from the fact that the selling price of a property consists of the integration of various costs: cost of land, cost of construction of the building and costs and benefits of property development.

According to this appraisal, the recoverable value of the tangible fixed assets of the Company estimated by any of above three methods would be higher than the net book value that is recorded as on March 31, 2014. During the financial year 2015, no appraisal has been carried out.

In any case, during the financial year 2015 (as in the case of 2014), the Company has not registered any amount by way of deterioration of the value of the tangible and intangible assets, considering that the assets held are recoverable in the ordinary course of business.

d) Financial assets

Loans and other receivables

The loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in the current assets, except for expirations higher than 12 months from the date of the balance sheet, which are classified as non-current assets. The loans and other receivables are included under head "Commercial Debtors and Other receivables" of the balance sheet.

These financial assets are valued initially by their fair value, including transaction costs that are directly attributable to them and subsequently at amortized cost recognizing the interests earned based on their effective interest rate, defined as the discount rate that equals the book value of the instrument with all its estimated cash flows up to their expiration. Not withstanding the aforesaid, the credits by commercial operations with expiration not higher than one year are valued, both at the moment of initial recognition as well as later on, by their face value provided that the effect of not discounting the flows is not significant.

At least at the close of the financial year the Company conducts a deterioration test for the financial assets that are not registered at fair value. It is considered that objective evidence of deterioration exists if the recoverable value of the financial asset is lower than its book value. When it happens, the record of this deterioration is recognized in the profit and loss account.

In particular, and with regard to the valuation corrections on commercial debtors and other receivables, the Company follows the deterioration criterion of the credits for which after an individual analysis of their recoverability, and according to their age or other aspects, such as irregular situation, bankruptcy or insolvency, are deemed circumstances that can reasonably be classified as doubtful receivables (Note 7).

The Company derecognizes the financial assets when they expire or when their rights on the cash flows of the corresponding financial asset have been transferred and the risks and benefits inherent in its property have been transferred substantially, such as outright sales of assets, transfers of commercial credits in "factoring" operations in which the company neither retains any credit risk nor interest, sales of financial assets under repurchase agreements at their fair value or securitization of financial assets in which the transferor company neither retains subordinated financings nor grants any type of guarantee nor assumes any other type of risk (Notes 7 and 14).

On the contrary, the Company does not derecognize the financial assets, and recognizes a financial liability as an amount equal to the received compensation, in the transfers of financial assets in which the risks and benefits inherent in its property should be retained substantially, such as discount of effects, "factoring with recourse", sales of financial assets with repurchase agreements at a fixed price or at sale price plus an interest and securitization of financial assets in which the transferor company retains subordinated financings or other type of guarantees that substantially absorb all the expected losses.

e) Stocks

The stocks are valued at their actual cost of acquisition or at their net saleable value, whichever is less. When the net saleable value of the stock is lower than its cost, the necessary valuation corrections will be carried out, recognizing them as an expense in the profit and loss account. If the circumstances that cause value correction cease to exist, the correction amount will be reversed and recognized as income in the profit and loss account.

The cost of the finished products and the products in progress includes the costs of raw materials, direct labor, other direct costs and general manufacturing expenses (based on the normal working capacity of the production facility). The net saleable value is the sale price estimated in the normal course of the business, less the estimated costs necessary to conduct it, as well as in case of raw materials and the products in progress, the estimated costs necessary to complete their production.

f) Net assets

The issue costs of new shares or options are given directly against the net assets as minor reserves. In the case of acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental cost is deducted from equity until canceled, reissued or disposed of. When these shares are sold or reissued subsequently, any consideration received, net of any incremental costs directly attributable to the transaction, is included in net assets.

On December 30, 2014, the Company has formalized an equity loan of value 15 million euros with a Group company by modifying a credit line granted in previous financial years (Note 2.e). In the same way, on March 30, 2013 the Company has formalized another equity loan of value 15 million euros with a Group company. As indicated in the consultation 2 of the BOICAC 54, the said loan will be taken in to account in the quantification of the book value of assets for the purpose of capital reduction and dissolution of companies envisaged in the mercantile legislation (Notes 10 and 14).

g) Financial liabilities

Financial liabilities are those debits and payables that the Company has and that have originated from the purchase of goods and services in the ordinary course of business of the company, or those not having a commercial origin cannot be considered as derivative financial instruments.

The debits and payables are valued initially at the fair value of the compensation received, adjusted by the directly attributable transaction costs. Subsequently, the said liabilities are valued according to their amortized cost.

Not withstanding the above, the debits by commercial operations with expiration not more than one year and those which do not have any contractual interest rate are valued, initially as well as subsequently, by their face value when the effect of not updating the cash flows is not significant.

h) Tax on profits

Expenditure or income by tax on profits is the part relative to the expenditure or income by the current tax and the part corresponding to the expenditure or income by deferred tax.

Current tax is the amount payable by the Company as a consequence of the income tax settlements relative to a financial year. The deductions and other fiscal advantages in the quota of the tax, excluding the retentions and pre-payments, as well as the tax loss carryforwards of the previous financial years actually applied in the current year, lead to a reduction in the amount of the current tax.

The expenditure or income by deferred tax corresponds to the recognition and cancellation of the assets and liabilities by deferred tax. These include the temporary differences that are identified as those amounts that are expected as payable or recoverable arising from the differences between the book values of the assets and liabilities and their tax value, as well as tax losses pending offset and credits for tax deductions not fiscally applied. These amounts are registered applying the temporary difference or credit corresponding to the tax rate expected to be recovered or settled.

Liabilities by deferred taxes are recognized for all temporary taxable differences, except those derivatives of the initial recognition of commercial funds or of other assets and liabilities in an operation that affects neither the fiscal result nor the accounting result and is not a business combination.

On its part, the assets by deferred taxes are recognized only to the extent in which it is considered as probable that in the next 10 financial years the Company will have future tax profits against which these can be used.

The assets and liabilities by deferred taxes arising from operations with direct charges or credits to the equity accounts are recognized also with counter entry in net assets.

In each account closing the recognized deferred tax assets are reassessed, making necessary corrections to the extent in which there are doubts about their future recovery. Also, at each closing the non-recognized deferred tax assets in the balance sheet are evaluated and these are recognized to the extent in which their recovery becomes probable against future taxable profits.

I) Employee benefits

Termination benefits

Termination benefits are paid to the employees as consequence of the decision of the Company for canceling their employment contract before the normal age of retirement or when the employee decides to resign voluntarily in exchange for these benefits. The Company recognizes these benefits when it has demonstrably committed to terminate the employment of workers according to a detailed formal plan without the possibility of withdrawal or to give termination benefits as a result of an offer to encourage a voluntary resignation. The benefits that are not going to be paid within twelve months following the date of the balance sheet are deducted to their actual value (Note 12.c).

Bonus

The Company recognizes a liability and an expense for bonus based on the formulae that take in to account the grade of fulfillment of the qualitative and quantitative objectives fixed for the employees with right to bonus. The Company recognizes a provision when it is contractually binding or when the past practice has created an implicit obligation. As on March 31, 2015 the Company has not recorded any amount under this head as the conditions for this did not exist.

j) Provisions and Contingent liabilities

The Management of the Company in the preparation of the annual accounts differentiates between:

a) Provisions: credit balances that cover the present obligations arising from past events the settlement of which is probable, which causes an outflow of resources, but there is uncertainty about its amount and/or timing of settlement.

b) Contingent liabilities: possible obligations arising from past events, the future materialization of which is contingent up on the occurrence or otherwise of one or more future events beyond the control of the Company.

The annual accounts include all the provisions with regard to which it is estimated that the probability of having to meet the obligation is greater than the opposite. Unless they are considered to be remote, the contingent liabilities are not recognized in the annual accounts but are disclosed in the Notes of the Report.

The provisions are valued by the current value of the best possible estimation of the amount required to settle or transfer the obligation, taking in to account the available information about the event and its consequences, and reporting any adjustments arising from the updating of the said provisions as a financial expense on accrual basis.

The compensation receivable from a third party at the time of settling the obligation, provided that there are no doubts that the said refund will be taken as and recorded as an asset, except when there is a legal bond by which part of the risk has been externalized, and by virtue of which the Company is not liable; in this situation, the compensation will be taken in to account for estimating the amount, which, if any, will represent the corresponding provision.

k) Recognition of income

Incomes are recognized at the fair value of the compensation receivable and represent the amounts receivable for the goods and services rendered in the normal course of the business of the Company, less the returns, reductions, discounts and VAT.

The Company recognizes the income when its amount can be valued reliably, when it is probable that future economic benefits will flow to the Company and when the specific conditions for each of the activities as detailed below are fulfilled. It is not considered possible to value the amount of income reliably until all the contingencies related to the sale have been resolved. The Company bases its estimations on historical results, taking in to consideration the type of client, the type of transaction and the specific terms of each agreement.

Sale of goods

The Company manufactures and sells steel products. The recognition of the income from sales takes place at the moment when the significant risks and benefits inherent in the ownership of the sold good are transferred to the buyer, the current management neither maintaining of the said good, nor retaining the effective control on it.

The sales are recognized depending on the price fixed in the contract or sale agreement, net of the volume discounts and returns estimated to the date of the sale. The volume discounts, if any, are evaluated in terms of the estimated annual purchases. It is assumed that there is no financing component, since the sales are realized with an average payment period in line with the market practice.

Providing services

The Company provides contract manufacturing services of certain processes (cutting, stripping, etc) on products owned by clients. These services are provided normally on the basis of a date and specific material in periods ranging from 1 to 3 months.

The income derived from these services is recognized by the same criteria as the sale of goods because: i) it is considered that the service has been provided with the delivery of the material processed to the client, ii) the time for providing the service is very short.

Income from interests

The interests received from financial assets are recognized using the effective interest rate method and the dividends- when the shareholder’s right to receive them is established. In any case, the interests and dividends from financial assets accrued after the date of acquisition are recognized as income in the profit and loss account.

l) Leases

Operative lease

The expenses derived from the operative lease agreements are charged to the profit and loss account in the financial year in which they are earned.

Any receipt or payment that could have made for contracting an operative lease is treated as a receipt or advance payment which is charged to income spread over the lease period, as and when the benefits of the leased assets are transferred or received.

m) Transactions in currency other than euro

The functional currency used by the Company is the euro. Consequently, the operations in currencies other than euro are considered to be denominated in foreign currency and are recorded according to the current exchange rates in force on the dates of the transactions.

At the end of the financial year, the monetary assets and liabilities denominated in foreign currency are converted applying the exchange rate in force on the date of the balance sheet. The profits or losses posted are charged directly to the profit and loss account of the financial year in which they take place.

The Company has conducted practically the entire transactions in euros.

n) Transactions between related parties

The Company conducts all its transactions with related parties at market values. Additionally, transfer prices are adequately supported so that the Management of the Company considers that no significant risks exist in this connection that might give rise to significant liabilities in the future (see Note 14).

ñ) Classification of assets and liabilities in to current and non- current

Current assets are considered to be those related to the normal operating cycle, which generally is considered a year, and also those other assets whose expiration, disposal or realization is expected to occur in the short term from the closing date of the financial year, the financial assets held for trading, with the exception of financial derivatives whose settlement period is more than a year and cash and other equivalent liquid cash assets. Assets that do not meet these requirements are classified as non-current.

Similarly, current liabilities are those related to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement period exceeds one year and in general all obligations whose expiration or extinction will occur in the short term. Otherwise, they are classified as non-current.

o) The state of cash flows

In the statement of cash flows prepared in accordance with the indirect method, the following expressions are used in the following meanings:

- Cash flows: inflows and outflows of cash and its equivalents, which mean the investments that are short-term with high liquidity without significant risk of changes in value.

- Operating activities: activities typical of the Company as well as other activities that can not be classified as investing or financing activities.

- Investing activities: activities of acquisition, sale or other disposal of long-term assets and other investments not included in cash and their equivalents.

- Financing activities: activities that result in changes in the size and composition of the net equity and liabilities that are not part of operating activities.

p) Cash and other equivalent liquid assets

This head includes cash in hand, current accounts in banks and, where appropriate, deposits and temporary acquisitions of assets that meet all the following requirements (Note 9):

- They are convertible into cash

- At the time of acquisition their expiration was not more than three months

- They are not subject to a significant risk of change in value

- They form part of the standard cash management policy of the Company.

5 Tangible Fixed assets

The details and movement of the items included in tangible fixed assets during the years 2015 and 2014 are as follows:

Financial year 2015

	Thousand euros		
	Initial balance	Additions/ (Provisions)	Final balance
Cost:			
Land	3,276	-	3,276
Buildings	6,337	-	6,337
Technical installations and other fixed assets	19,056	59	19,115
Fixed assets current and advances	107	81	188
Total cost	**28,776**	**140**	**28,916**
Depreciations			
Buildings	(2,624)	(282)	(2,906)
Technical installations and other fixed assets	(14,884)	(1,360)	(16,244)
Total Depreciations	**(17,508)**	**(1,642)**	**(19,150)**
Net total	**11,268**		**9,766**

Financial year 2014

	Thousand euros			
	Initial balance	Additions/ (Provisions)	Drop	Final balance
Cost:				
Land	3,276	-	-	3,276
Buildings	6,337	-	-	6,337
Technical installations and other fixed assets	19,237	140	(321)	19,056
Fixed assets in progress and advances	-	107	-	107
Total cost	**28,850**	**247**	**(321)**	**28,776**
Depreciations				
Buildings	(2,341)	(283)	-	(2,624)
Technical installations and other fixed assets	(13,714)	(1,473)	303	(14,884)
Total Depreciations	**(16,055)**	**(1,756)**	**303**	**(17,508)**
Net total	**12,795**			**11,268**

The main additions in 2015 relate to improvements in the machinery.

As on March 31, 2015 and March 31, 2014 there are items recognized in the balance sheet with an original cost of 6,891 and 4,300 thousand euros respectively and approximately, which are fully depreciated but still in use.

At the close of the financial years ending on 31 March 2015 and 2014, valuation corrections for deterioration have not been recognized or reversed for any individual intangible fixed assets.

At the close of the financial year 2015 the Company does not have any firm purchase commitments of investment. Also, as on December 31, 2015 the Company does not have investments in tangible fixed assets located abroad. Out of the tangible fixed assets of the Company at the close of the financial years 2015 and 2014, there was no significant assets not affected directly to the operation. The Company has no tangible fixed assets with liens or encumbrances as on March 31, 2015.

It is the policy of the Company to take insurance policies to cover the possible risks to which the various elements of its tangible fixed assets are exposed. At the close of the financial year 2015 there was no deficiency in the coverage related to the said risks with regard to the book value.

The head "Short-term debts" of the attached balance sheets as on March 31, 2015 and 2014 recognize amounts of 156 and 141thousand euros, respectively, as amounts payable to suppliers of fixed assets.

6. Leases

Operative leases - Company as tenant

At the end of the financial years 2015 and 2014 the Company has signed agreements with the lessors for the following minimum lease payments in accordance with the current agreements in force, without taking in to account the repercussion of common expenses, future increases of CPI or future revision of the contractually agreed rent (in thousands of euros):

Operative leases Minimum quotas	**Face value**	
	2015	**2014**
Less than one year	208	174
Between one year and five years	401	114
Total	**609**	**288**

The expenditure recognized in the profit and loss account during the financial year corresponding to operative leases amounts to 258 thousand and 212 thousand euros in 2015 and 2014, respectively and approximately (Note 12.d).

The Company has rented various items of fixed assets (mainly company machinery) under non-cancellable operative lease agreements. These agreements have a tenure between 3 and 5 years, most of which being renewable on expiry in market conditions.

7. Loans and receivables

Details of the short term loans and other receivables of the Company as on March 31, 2015 and 2014 are as follows:

	Thousand euros	
	31.03.15	**31.03.14**
Short term Loans and receivables–		
Clients by sales and services (Notes 4.d and 14)	18,585	15,290
Clients group companies and partners (Note 14)	11	1
Personnel	2	2
Other credits with the Public administrations	-	2
Valuation corrections for deterioration	(374)	(373)
	18,224	**14,922**

The fair value of loans and receivables is equivalent to their carrying amount.

Accounts receivable from overdue clients with not more than three months old have not suffered any deterioration of value. On 31 March, 2015 and 2014, respectively, apart from the balances that have deterioration, other receivables amounting to 349 and 797 thousand euros, respectively had expired, out of which 292 and 484 thousand euros relate to expirations in the month of March, although they had not suffered a deterioration loss. These accounts correspond to a number of independent clients regarding whom there is no recent history of default. The age analysis of these accounts is as follows:

	Thousand euros	
	31.03.15	**31.03.14**
Up to 3 months	341	749
More than 3 months	8	48
	349	**797**

The book values of the loans and other receivables are given in euros since the Company does not operate out of the Euro zone.

The movement of the valuation corrections for deterioration of the other receivables from clients is as follows:

	Thousand euros
Balance as on 01.04.13	**1,553**
Deterioration of the value of receivable accounts	231
Reversion	(422)
Provision used	(989)
Balance as on 31.03.14	**373**
Deterioration of the value of receivable accounts	1
Balance as on 31.03.15	**374**

The recognition and the reversion of the valuation corrections for deterioration of the other receivables from clients are included under head "Losses, deterioration and change of provisions for commercial operations" of the profit and loss account. Normally the amounts charged to the value deterioration account are dismissed when there is no expectation of recovering the deteriorated amount.

The rest of the accounts included under "Loans and receivables" have not suffered deterioration of value.

The maximum exposure to credit risk on the date of presentation of the information is the fair value of each of the categories of receivables mentioned above. The Company has a credit insurance policy with domestic and foreign coverage.

Note 14 provides information about the receivable accounts of the defaulting clients as on the closing of financial years 2015 and 2014 and which had been written off the balance sheet for having been sold by Non-recourse factoring.

Information about the nature and level of risk of the financial instruments

Financial risk management of the Company is centralized in the Finance Department, which together with the Treasury Department of the TATA Steel Group has the necessary mechanisms established for controlling the exposure to the changes in interest rates and exchange rates, as well as to the credit and liquidity risks. The main financial risks affecting the Company are as follows:

a) Credit risk

Credit risk arises from the receivable accounts of the clients, including outstanding receivables and awkward transactions. The credit control evaluates the credit quality of the client, taking into account his financial position, past experience and other factors.

The Group's policy is to ensure all the sales, both domestic and foreign, when it is possible. Till the end of the financial year 2013 the Company was in charge of the management and contracting of credit insurance policy. Nevertheless, from financial year 2014, it is changed and this function is centralized with the head of the Group. Individual credit limits are fixed according to the ratings assigned by the insurance company and possibly by internal evaluations.

Utilization of credit limits is monitored regularly. In case the credit limits fixed are exceeded the Company has a procedure for approving the exceeded limits depending on the amount.

The table below shows the global credit limits and its correspondence with the balances receivable as on the date of the balance sheet (thousand euros):

31.03.15		31.03.14	
Credit limit	Balance (*)	Credit limit	Balance (*)
76,577	18,221	70,725	14,882

(*) *Including accounts payable factorized by the amount of 13 and 16 million euros respectively (Notes 4.d and 14).*

During the financial year 2015, the insolvency coverage amounted to 95 % of the account receivables affected (95 % in the previous financial year). The Group has a continuous policy of risks updating with the insurance company, and also of authorization and monitoring of the transactions for amounts higher than the limits set individually for each client. The Management does not expect any losses due to the violation of any of the accounts receivable indicated.

b) Liquidity risk

The Company has a credit line provided by the Group for financing its cash requirements (Note 14).

Pursuant to the instructions received from the Group, the Company is required to be financed through credit lines and other agreements of financial nature (Notes 4.d and 14) from the Group itself. It is for this reason that it has different provisions of credit for covering the cash needs and can return them when there are surplus cash or if required extend those lines. With this system the liquidity risk is covered.

c) Market risk

(i) Exchange rate risk

There is no exchange rate risk because practically all the transactions are made in euros.

(ii) Interest rate risk of the cash flows and fair value

The interest rate risk management is centralized with the Management of the TATA Steel Group (Note 1), which has the necessary mechanisms established for controlling the exposure to the changes in the interest rate. The Company finances its operations and investments with loans and credit lines granted by a Group company (Note 14) the interest rate of which is indexed to market indexes. The Company, according to the Group policy, cannot contract operations of derivatives of interest rate.

d) Credit quality of financial assets

The Company has been working for the last 20 years with a group of about 300 clients. During a normal financial year there can be high and low movements of about 25 clients. The Company has focused on a single client for 10% of sales.

None of the financial assets pending expiration has been renegotiated during the financial year.

8. Stocks

The details of the stock of the Company referred to the financial years ended on March 31, 2015 and 2014 is as follows (in thousand euros):

	31.03.15	31.03.14
Raw materials and other supplies	7,549	5,050
Spare parts and consumables	1,720	1,563
Products in progress and semi finished	4,937	4,576
Finished products	3,217	3,333
Provisions	(633)	(610)
Total	**16,790**	**13,912**

The movement of the valuation corrections for deterioration under the head "Stock" of the attached balance sheet as on March 31, 2015 and 2014 has been the following (in thousand euros):

	31.03.15	31.03.14
Initial balance	**(610)**	**(683)**
Provision / reversion raw materials	5	61
Provision / reversion spare parts and consumables	(28)	12
Final balance	**(633)**	**(610)**

The Company has taken several insurance policies for covering the risks to which the stocks are exposed. The coverage of these insurance policies is considered to be sufficient.

As on March 31, 2015 there are commitments for outright purchase stocks for an amount of 22 million euros approximately in Group companies as well as 4 million euros approximately outside the Group.

As on March 31, 2015 and 2014 the Company has an inventory of spare parts for the machinery and installations and consumables for a gross value of 1,720 thousand and 1,563 thousand euros respectively and approximately (1,238 thousand and 1,110 thousand euros, respectively, net of provisions for deterioration). The provision for deterioration of value of this store is fixed in individualized form according to the gross value of the inventory for correlating the said depreciation with the inventory volume of each financial year.

The movement of the said inventory of spare parts during the financial years 2015 and 2014 is as follows:

	Thousand euros
Balance 01,04,13	**1,097**
Variation of stocks	13
Balance 31.03.14	**1,110**
Variation of stocks	128
Balance 31.03.15	**1,238**

9. Cash and other equivalent liquid assets

Cash is composed of current accounts in financial entities, which earn market rate of interest for this type of accounts. There is no restriction to the availability of the said deposits.

10. Equity Funds

a) Capital

The value as on March 31, 2015 and 2014 is as follows (thousand euros):

	31.03.15	31.03.14
Registered capital	5,000	5,000

With effect from March 18, 2014 the Sole Partner of the Company has approved a reduction in the share capital of the Company for amount of 1,146 thousand euros, by depreciation and annulment of 1,146 thousand shares of face value 1 euro each.

The subscribed capital as on March 31, 2015 consists of 5,000,000 equity shares of face value 1 euro each, fully subscribed and paid up. British Steel Holdings, B.V., a company of Dutch nationality, is the holder of 100 % shares of the Company (Note 1).

According to the Revised text of Capital Companies Act, the Company is registered in the Companies Register as individual (unipersonal) company.

b) Reserves

Voluntary Reserves

As consequence of the capital reduction amounting to 1,146 million euros approved in the financial year 2014, the Company has increased the voluntary reserve for the same amount.

Legal reserve

According the Capital Companies Act, the limited liability company must earmark an amount equal to 10 % of the year's profit to the legal reserve till it reaches at least 20 % of the share capital. The legal reserve can only be used to increase the share capital. Except for the aforesaid purpose, and until it exceeds 20% of share capital, it can only be used for offsetting the losses, when sufficient other reserves are not available for this purpose.

As on March 31, 2015 and 2014 the Company does not have the said legal reserve constituted.

c) Financial position

The Revised text of Capital Companies Act, Article 363, lays down one of the causes of dissolution as the net assets going below half of the share capital unless it is increased or decreased in sufficient measure.

In this sense, and according to the provisions of the Act 16/2007, of July 4, the Company has taken in to account two participative loans for an amount of 15 million euros each granted on March 30, 2013 and December 30, 2014 by the parent company of the TATA Steel Group UK Ltd. (sole shareholder of the sole partner of the Company), in order to calculate the net computable equity. These loans have expirations March 30, 2023 and December 30, 2024 (Note 14).

Thus, the net computable equity for the purpose of the said article 363 of the Capital Companies Act is as given below:

	Thousand euros
Net assets at the end of the financial year Plus participative loans (Note 14)	(17,061) 30,000
Net assets on March 31, 2014 for the calculation of the provision of article 363 of the Capital Companies Act	12,939
Share capital	5,000
Coverage	259%

Consequently, in the opinion of the Management of the Company, as on March 31, 2015 it is not in a situation of equity imbalance, with no doubt on its part about the provision of additional funds on the part of the Group in the event it becomes necessary, as was done in this and in the previous financial years (Note 2.e).

11. Short term provisions

The movements in the short term provisions recognized in the balance sheet are as follows (in thousand euros):

	Obligations with the personnel
Balance as on 01.04,13	**61**
Provision used	(54)
Balance as on 31.03.14	**7**
Provision used	(7)
Balance as on 31.03.15	**-**

During the financial year 2009 the Company reached agreements with workers to make an adjustment of personnel for adapting the human resources commensurate with the production capacity according to the strategic plan. As on March 31, 2015 the Company does not have any pending payment amount to those workers who had agreed to the deferred payment of their allowances (7 thousand euros as on March 31, 2015)

As on the date of the balance sheet the Company has neither significant contingent assets nor liabilities.

12. Income and expenses

a) Net amount of turnover

The net amount of the turnover corresponding to the normal activities of the Company is distributed geographically as follows:

Market	Financial year 2015	Financial year 2014
	%	%
Spain	88	84
France	7	10
Portugal	1	3
Others (European Union)	4	3
	100	100

Similarly, the net amount of the turnover can be analyzed by product line as follows:

Line	Financial year 2015	Financial year 2014
	%	%
Cold Lamination	21	23
Service Center	74	74
Scrap	2	2
Others	3	0.5
	100	**100**

b) Consumption of goods, raw materials and other consumables

Details of the amount recorded under head "Consumption of raw materials and other consumables" during the financial years 2015 and 2014 are as follows (in thousand euros) (Note 14):

	Financial year 2015	Financial year 2014
Purchase of raw materials	98,168	92,682
Purchase of other supplies	2,197	1,807
Change in stock (Note 8)	(2,656)	1,676
	97,709	**96,165**

Source-wise details of the purchases made by the Company during the financial years 2015 and 2014 are as follows (in thousand euros):

Market	Financial year 2015	Financial year 2014
	%	%
Spain	16	16
European Union	84	84
Rest of the world	-	-
	100	**100**

c) Personnel

The breakdown of the more significant balances under head “Staff costs" of the financial years 2015 and 2014 is as follows:

Item	Thousand euros	
	2015	2014
Salaries and wages	5, 140	4,981
Social Security	1,458	1,349
Others	61	53
Total	**6,659**	**6,383**

The average number of employees in the course of the financial year distributed by categories is as follows:

	Financial year 2015	Financial year 2014
Adviser / Manager	1	1
Managers	5	5
Employees	136	136
	142	**142**

Also, the gender distribution of the staff of the Company at the end of the financial year is as follows:

	Financial year 2015			Financial year 2014		
	Male	Female	Total	Male	Female	Total
Adviser / Manager	1	-	1	1	-	1
Managers	6	-	6	6	-	6
Employees	119	16	135	119	16	135
	126	**16**	**142**	**126**	**16**	**142**

d) Outsourcing

The breakdown of the most significant balances under head "Outsourcing" for the financial years 2015 and 2014 attached is as follows (in thousand euros):

	2015	2014
Rent and fees (Note 6)	258	212
Repairs and maintenance	1,707	1,583
Independent professional services	282	249
Transport costs	3,058	2,824
Advertising	16	15
Insurance premiums	276	161
Supplies	1,387	1,449
Other services	1,423	1,295
	8,407	**7,788**

The head "Other services" mainly reflects the management fees invoiced by the group that have amounted to 1,122 thousand euros (1,002 thousand euros in the financial year 2014) (Note 14).

13. Fiscal situation

a) Breakdown of balances with the Public administrations

Details of the balances related to fiscal assets and liabilities as on March 31, 2015 and 2014 are as follows (in thousand euros):

	2015	2014
Credits with the Public administrations		
- Others	-	2
Total debit balances	**-**	**2**
Other debts with the Public administrations		
- Public funds by IRPF (Personal Income Tax)	65	65
- Social Security Organizations	144	144
- Public funds by VAT	1,630	1,544
- Other items	64	132
Total credit balances	**1,903**	**1,885**

b) Reconciliation of accounting profit and taxable income

Reconciliation of profit for financial years 2015 and 2014 with taxable income for corporate income tax, calculated in accordance with Provincial Law 11/2013 of 5th December, for the companies of the Historical Territory of Bizkaia, which governs the Company, is as follows (in thousands of euros):

Financial year 2015

	Total
Accounting result before taxes - (Loss)	**(4,827)**
Permanent differences	1,909
Temporary differences	(50)
Fiscal tax base	**(2,968)**

Financial year 2014

	Total
Accounting result before taxes - (Loss)	**(6,222)**
Permanent differences	45
Temporary differences	50
Fiscal tax base	**(6,127)**

The permanent differences arose mainly due to the non-deductibility of the financial expenses generated by the intra-group funding received by the Company (Note 14), in so far, as determined by Article 47 of Provincial Law 11/2013, of December 5th, regarding Corporate Income Tax, the net indebtedness paid to a related entity (provided that it exceeds 10 million euros) exceeds the result of applying coefficient of 3 to the amount of its net assets for tax purposes and, consequently, these financial interests must be considered dividends for tax purposes.

Temporary differences arose from the different criteria of existing accounting and tax allocation in relation to value corrections for deterioration losses on accounts receivable.

c) Reconciliation of accounting results and current tax expense

The reconciliation between the accounting results and corporate income tax expense is as follows (in thousands of euros):

	Financial year 2015	Financial year 2014
Accounting result before taxes	4,827	(6,222)
Permanent Differences	1,909	45
Temporary Differences	(50)	50
Quota at 28%	(831)	(1,715)
Negative tax base of the financial year not activated	831	1,715
Total expense for tax recognized in the profit and loss account	-	-

d) Assets by deferred tax recorded

Details of the balance of this account at the end of the financial years 2015 and 2014 (without movement during the said financial years are as follows (in thousand euros):

	31.03.15	**31.03.14**
Credit for compensable losses	2,820	2,820
Deductions pending application	2,895	2,897
	5,717	**5,717**

The deferred tax assets indicated above were recognized in the balance sheet because the Management of the Company considered that, according to the best estimates of future results, it is probable that these assets will be recovered.

The Company pays tax on individual basis as set out in the Provincial Law 11/2013 of 5th December, regarding the income tax of the Companies of Historical Territory of Bizkaia, applicable from Jan 1, 2014. This Provincial Law further simplifies the tax calculation, with a reorganization of the prescripts dedicated to establishing corrections to the accounting profit to obtain the tax base. Also, among other things, it reduces the fiscal costs of micro companies, promotes the tax treatment of the exploitation of patents, limits the deductibility of certain expenses and revises the type of tax deductions.

From the approved normative modifications applicable to the Company it is necessary to emphasize the temporary limitation to the compensation of the negative tax bases in the subsequent financial years and to the application of quantities corresponding to deductions of the quota that could not have applied due to insufficiency of quota, fixing a maximum of fifteen years for being able to compensate or to apply these magnitudes, reckoning from January 1, 2014.

e) Assets by deferred tax not recorded

The assets by taxes deferred by negative tax bases pending compensation and deductions pending application are recognized to the extent in which it is probable that the Company obtains future fiscal profits that allow its application. As on March 31, 2015 the Company has the following fiscal and active credits by deferred tax not recognized in balance sheet and generated from the financial year (in thousand euros):

Item and year of generation	**31.03.15**
Deductions pending application	7
Negative tax bases	19,168
Total assets by deferred tax not recorded	**19,175**

f) Financial years pending verification and tax audits

According to the current legislation, taxes cannot be considered finally settled until the declarations submitted are inspected by the tax authorities or the prescribed term of four years is expired.

As on March 31, 2015, the Company has the financial year 2011 and subsequent years open to inspection in respect of corporate income tax and the last four financial years for other taxes that are applicable. The Management of the Company considers that the aforementioned taxes have been appropriately settled, so that even in case of discrepancies arising in the interpretation of the rules in force for the tax treatment afforded to certain transactions, the resulting contingent liabilities, if they materialize, will not significantly affect the attached annual accounts.

14. Transactions with related parties

The Company conducts transactions and maintains significant balances with TATA Group companies to which it belongs (Note 1), in the conditions set forth between the parties. The transactions made with such companies during the financial years ending on March 31, 2015 and 2014 are as follows (in thousand euros):

Financial year 2015

	Sales	Providing services	Purchases	Receiving services (Note 12.c)	Financial interests
Group companies					
Tata Steel IJmuiden BV	3	-	47,253	-	-
Gelsenkirchen GmbH Service Centre (GmbH)	-	-	235	-	-
Inter Metal Distribution SAS	130	-	-	-	-
Unitol, S.A.S.	152	-	157	-	-
Proco Issuer Pvt Ltd. (Note 4.d)	-	-	-	-	650
Tata Steel UK Ltd.	4	-	30,679	366	1,855
Tata Steel Europe Distribution BV	-	-	-	756	-
Tata Steel-Service Centre Maastricht BV	-	-	19	-	-
Cogent Surahammars Bruks AB	-	-	15	-	-
Tata Steel International (Asia) Limited	16	-	-	-	
Proco Issuer Pvt Ltd. (Note 4.d)	-	87	-	-	-
Total	**305**	**87**	**78,358**	**1,122**	**2,505**

Financial year 2014

	Sales	Providing services	Purchases	Receiving services	Financial interests
Group companies					
Tata Steel IJmuiden BV	-	-	40,898	_	-
Trierer Walzwerk GmbH	-	10	49	-	-
Gelsenkirchen Service Centre GmbH	37	-	-	-	-
Unitol, S.A.S.	128	-	135	-	-
Proco Issuer Pvt Ltd. (Note 4.d)	-	-	-	43	579
Tata Steel UK Ltd.	19	-	31,204	252	1,829
Degels GmbH	-	-	16	-	-
Tata Steel Namascor BV	-	-	26	-	-
Tata Steel Europe Distribution BV	-	-	-	750	-
Tata Steel-Service Centre Maastricht BV	-	-	10	- -	- -
Tata Steel International Germany Gmbh	-	-	8	-	-
Tata Steel International SRL	-	-	15	-	-
Hille & Muller GmbH	-	47	-	-	-
Total	**184**	**57**	**72,361**	**1,045**	**2,408**

The goods are sold on the basis of the current price-lists applicable to unrelated third parties.

The purchase of goods from the group refers mainly to purchases of steel. The receipt of services is the allocation of "management fees" for the central services received from the TATA Steel Group pursuant to the agreement signed between the parties on date February 21, 2012, which specifies the services provided and the form of repercussion of the costs during the financial year 2015. No contracts have been signed by the Company with its Sole Partner.

Similarly, the pending balances with group companies and partners as on December 31, 2015 and 2014 are as follows (in thousand euros):

Financial year 2015

	Clients	Long-term debts (Note 10)	Short-term debts (Note 10)	Suppliers
Group companies				
Tata Steel IJmuiden BV	3	-	-	7,909
Tata Steel Nederland Services BV	-	-	-	11
Tata Steel Belgium Services NV	-	-	-	17
Tata Steel Distribution Europe BV	-	-	-	189
Unitol, S.A.S.	8	-		145
Tata Steel UK Ltd.	-	47,000	839	5,007
Tata Steel International Germany GmbH	-	-	-	4
Tata Steel International SRL	-	-	-	5
Inter Metal Distribution	-	-	-	2
Cogent Surahammars Bruks AB	-	-	-	15
	11	**47,000**	**839**	**13,304**

Financial year 2014

	Clients	Long-term debts (Note 10)	Suppliers
Group companies			
Tata Steel IJmuiden BV	-	-	2,199
Trierer Walzwerk GmbH	-	-	-
Service Centre Gelsenkirchen GmbH	-	-	49
Tata Steel Distribution Europe BV	-	47,500	10
Unitol, S.A.S.	-	-	-
Tata Steel UK Ltd.	-	-	2,113
Tata Steel International Germany GmbH	-	-	4
Tata Steel International SRL	-	-	5
Hille & Muller GmbH	1	-	-
	1	**47,500**	**4,380**

The Company resorts to the intragroup financing for covering its working capital requirements. The Company has renewed two credit lines with which the Company is financing its operations, in one line, with the amount of 28 million euros available to it and agreeing to a repayment period of 18 months.

The Company also has two equity loans of amount 15 million euros each. On the one hand, on March 30, 2013 the Group has converted part of the granted credit line in to equity loan for an amount of 15 million euros with expiration date March 30, 2023, in order to cover the asset imbalance caused by the losses in the previous years. On the other hand, on December 30, 2014 the Group has converted part of the aforementioned credit line into another equity loan of amount 15 million euros with expiration date December 30, 2024, to the existence of new asset imbalance. At the close of the financial year there is 839 thousand euros in accrued interest unpaid towards intra-group financing. Both the equity loan as well as the different credit lines have been contracted at average interest rate of LIBOR + market spread.

The Company has a credit transfer contract ("Non-recourse factoring") signed with the Group company Proco Issuer Pvt. Ltd with effect from March 22, 2012, with which it has settled the balance commercial credits for a total accumulated amount of 43,273 thousand euros through the financial year 2015 (38,444 thousand euros in 2014) (Note 4.d). As on March 31, 2015, the accounts receivable from clients pending expiration which have been factored and therefore dropped from the balance sheet had an amount of 12,518 thousand euros (16,458 thousand euros at the end of the previous financial year). The financial expenses generated by this figure during the financial year 2015 amount to 650 thousand euros, which have been fully paid. In spite of its financial nature, to the effects of the state of cash flows, the said amount has been considered as charge advanced to clients included in the cash flows of the operating activities.

The receivables from related parties arise from sale transactions and have an expiration of 2 months after the date of the sale. The receivables are not insured and do not earn any interest.

The accounts payable to related parties arise from purchase transactions and have an expiration of 1 to 2 months after the date of purchase. The accounts payable of commercial nature do not earn any interest.

15. Other Information

a) Sureties and guarantees given

As on March 31, 2015 the Company has sureties of financial entities contracted for the coverage of the guarantees given to its suppliers for an approximate amount of one thousand euros (2 thousand euros as on March 31, 2014).

b) Information about the delay in payment made to suppliers. Third Additional provision. "Mandatory Duty of Disclosure" of the Act 15/2010, of July 5

Detailed information required by the third additional provision of the Act 15/2010, of July 5 (in thousand euros) is as follows:

	Payments made and pending payment on the closing date of the financial year			
	2015		**2014**	
	Amount	**%**	**Amount**	**%**
Paid within the maximum legal time limit	90,901	86,45%	106,596	98,29%
Others	14,252	13,55%	1,850	1,71%
Total payments of the financial year	**105,153**	**100%**	**108,446**	**100%**
Weighted average days past due (PMPE)	7		19	
Delays, which on the closing date exceed the maximum legal term	1,016		13	

The information given in the above table about payments to suppliers refers to those which by their nature are Commercial creditors by debts with suppliers of goods and services, so as to include the information regarding items "Suppliers", "Suppliers, group companies and partners" and "Sundry creditors" of the current liabilities of the balance sheet.

Weighted average days past due (PMPE) of payments has been calculated as the quotient formed in the numerator by the sum of the products of each of the payments to suppliers made in the financial year with a delay higher than the respective legal time limit of payment and the number of days of delay that exceeded the respective time limit, and in the denominator by the entire amount of the payments made in the financial year with a delay higher than the legal time limit of payment.

The maximum legal time limit of payment applicable to the Company according to Act 3/2004 of December 29, by which a package of measures to combat late payment in commercial operations is laid down, and in accordance with the transitional provisions laid down in Act 15/2010 of July 5, is 30 days unless a date or period for payment other than the 30 days is set in the contract, provided this do not exceed 60 calendar days.

c) Information about environment

Any operation the main intention of which is minimization of the environmental impact and protection and improvement of the environment is considered as an environmental activity.

The Company has its environmental management system certified as per the norms of ISO 14001:2004, by the firm LLOYDS Register.

The Company has a residual water treatment plant, a gas filtration system in the stripping line, a building for storage of hazardous residues, as well as all the equipment necessary for the prevention of pollution.

During the financial year 2015 the Company has not made any significant investment in environmental matter, although it is in the process of improving the installations for the treatment of water used in the manufacturing process. As on March 31, 2015 the Company continues to maintain this project in progress, which at the end of the financial year is not fully completed and operational (Note 5). In the financial year 2014 the Company had initiated investment in environmental matter for a value of 107 thousand euros on this project.

The expenses meant for the protection and improvement of environment recognized directly in the profit and loss account amount to 103 thousand and 48 thousand euros, approximately and respectively at the end of the financial years 2015 and 2014.

d) Fees of account auditors

During the financial year ending on March 31, 2015, the fees for account audit services amounted to 48 thousand euros having earned no additional fees for other services provided by Deloitte, S.L. or by companies related to the auditor. During the financial year ending on March 31, 2014 the fees for account audit services was 48 thousand euros.

e) Sale-purchase commitments

As on the date of the balance sheet, the Company has agreements for stock mentioned in Note 8.

f) Information regarding conflicts of interest on the part of the members of the Board of Directors

During the financial year ending on March 31, 2015 the members of the Board of Directors of the Company have not done any operations with the Company or with the Group companies outside the normal course or in conditions different from market conditions. Similarly, as on the close of the financial year 2015 the members of the Board of Directors have not maintained relations with other companies which by their activities may represent a conflict of interest for them or for the Company, not having produced any communication to the other members of the Board of Directors or other Directors for the purposes specified in Article 229, which is why the present annual accounts do not include any details in this regard.

f) Events subsequent to closing

From the March 31, 2015 and until the date of preparation of these annual accounts there has not been any event that could be significant and has not been reported in this report.

MANAGEMENT REPORT OF ANNUAL ACCOUNTS AS ON MARCH 31, 2015

As it is well known, since 2008 Spain has been experiencing a crisis that has affected all the ambits of the economy, nevertheless, after the negative variations in the gross domestic product of all these years, it must be mentioned that it has grown by + 0.9% in the first quarter.

The Spanish Government has launched cost-cutting measures to reduce debt over the years 2013, 2014 and 2015, trying to transmit confidence to the international markets, and the growth forecast for the current year is one of the largest in the European Union.

At Layde Steel, S.L.U. the behavior of business volumes has been as follows;

- The total sales volume in our strategic products has reached 174 thousand tons, which represents an increase of 13 % with regard to the previous financial year.
- The sales volume of our cold laminated products has been the same with regard to the previous year.
- As for our service center products, we can say that the sales volumes have increased by 17 % compared with the previous financial year.

The Company has not been able to transfer all price fluctuations of raw materials to the sales market, this being one of the main reasons which have generated negative results during the current financial year.

The Management of Layde Steel S.L.U. is focusing its commercial strategy in two directions:

- Exportation of the lamination products, since these products have much more capacity to bear the transportation costs and also the commercial actions take us to the countries of European Union farthest from our factory, as well as to intercontinental sales.
- In the service center products from Tata Steel Europe a new business model is implemented that divides the market according to the end use of the steel. This new model considers value addition to the client under the performance of Tata Steel as a whole, integrating the offer of the products of all the multinational units to reach the client. Layde Steel S.L.U. is benefitting strongly from this business model by not acting as an isolated company in many cases, but with the whole support from the head of the steel company.

As mentioned above, the new business model implemented by Tata Steel Europe will enable, above all in the automotive sector, an increase in the sales volumes thanks to the contracts supported by the head (eliminating the uncertainty of changes in the sale and purchase price) between our clients and our suppliers of the Group.

Integrated system of Quality, Safety and Health and Environment management:

Continuing with its philosophy of continuous improvement Layde Steel S.L.U. obtained certification for its Environmental Management System as per ISO 14001 in the year 2007. This System was integrated with the Quality Management System as per ISO 9001.

In July, 2008 the certification of the Occupational Health and Safety Management System was completed as per the OHSAS 18001 norms, having integrated the three systems in to one single System of Management.

Later, the crisis starting from the second half of 2008 and the important changes happened within the Group, have forced us to leave the latter certification in suspense, orienting the Health and Safety Management towards the new Occupational Health and Safety Management System of Tata Steel Europe itself, which is audited by the Group's own team. This norm is even more demanding than the OSHAS 18001 norm.

Nevertheless, the commitment to quality and its management in Layde Steel S.L.U. has driven us to obtaining the automotive certification ISO/TS 16949 in March, 2014. Thus, at present, our Management System integrates Quality, Environment and Occupational Health and Safety, based on norms ISO 9001, ISO 14001, ISO/TS 16949 and OHSAS 18001, consolidating the first three certifications, and working on the implantation and continuous improvement of the

Health and Safety System of Tata Steel Europe, whose requisites are even more demanding than those of OSHAS 18001.

The Company has no activities in the matter of Research & Development, nor acquisitions of own shares nor use of financial instruments.

Durango, June 22, 2015

Layde Steel, S.L.U.

Annual accounts and Management report for the financial year ending on March 31, 2015

The Board of Directors of Layde Steel, S.L.U. on date June 22, 2015 and in compliance with the requirements laid down in Article 253 of the Capital Companies Act, proceeds to prepare the Annual Accounts and the Management report for the financial year ending on March 31, 2015, which consist of the attached documents that precede this statement.

(Signature)
D. Jens Lauber
Chairman of the Board, and
Managing Director of
Tata Steel Distribution Europe

(Signature)
D. Thomas Philippe de Butler
Member of the Board

(Signature)
D. Femando Espada Méndez
Member of the Board
Director General, Layde Steel S.L.U.

Also, the Member of the Board of Directors certifies that the attached Annual Accounts and the Management Report, endorsed by him in all its sheets as a token of identification, are those prepared by the Board of Directors in its meeting of June 22, 2015.

(Signature)
D. Femando Espada Méndez
Member of the Board

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.