Tata International Metals (Americas) Limited

(A Wholly Owned Subsidiary of
Tata International Singapore Pte Limited)

Financial Statements as of and for the
Year Ended March 31, 2015, and
Independent Auditors' Report

TATA INTERNATIONAL METALS (AMERICAS) LIMITED
(A Wholly Owned Subsidiary of Tata International Singapore Pte Limited)

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INDEPENDENT AUDITORS' REPORT

To Tata International Metals (Americas) Limited:

We have audited the accompanying financial statements of Tata International Metals (Americas) Limited (the "Company"), which comprise the balance sheet as of March 31, 2015, and the related statements of comprehensive income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tata International Metals (Americas) Limited as of March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

July 1, 2015

TATA INTERNATIONAL METALS (AMERICAS) LIMITED
(A Wholly Owned Subsidiary of Tata International Singapore Pte Limited)

BALANCE SHEET
AS OF MARCH 31, 2015
(Dollars in thousands)

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	$ 1,250
Accounts receivable	64,102
Accounts receivable from affiliates	53
Inventories	62,846
Deferred tax asset	1,151
Prepaid expenses and other current assets	2,582
Total current assets	131,984
FIXED ASSETS:	
Machinery, equipment, hardware, software and leasehold improvements	110
Less accumulated depreciation and amortization	(94)
Net fixed assets	16
LONG-TERM ACCOUNTS RECEIVABLE	2,132
TOTAL	$ 134,132

LIABILITIES

CURRENT LIABILITIES:	
Trade payables	$ 23,038
Accrued and other current liabilities	7,983
Short term debt	13,031
Amounts due to affiliates	59,583
Total current liabilities	103,635
STOCKHOLDER’S EQUITY:	
Common stock, par value $18,000 per share—authorized, issued, and outstanding, 100 shares	
Additional paid-in capital	18,000
Accumulated other comprehensive income	245
Retained earnings	12,252
Total stockholder’s equity	30,497
TOTAL	$ 134,132

See independent auditors’ report and notes to financial statements.

TATA INTERNATIONAL METALS (AMERICAS) LIMITED
(A Wholly Owned Subsidiary of Tata Steel International Singapore Pte Limited)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2015
(Dollars in thousands)

NET SALES	$ 406,453
COST OF PRODUCTS SOLD	392,536
GROSS PROFIT	13,917
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	11,445
INCOME FROM OPERATIONS	2,472
OTHER (INCOME) EXPENSE:	
Interest income	(25)
Interest expense	1,147
Other income	(209)
Gain on foreign currency transactions	(57)
Total other expense	856
INCOME BEFORE INCOME TAX	1,616
INCOME TAX EXPENSE	659
NET INCOME	957
OTHER COMPREHENSIVE INCOME:	
Unrealized gain on foreign currency hedge	245
COMPREHENSIVE INCOME	$ 1,202

See independent auditors' report and notes to financial statements.

TATA INTERNATIONAL METALS (AMERICAS) LIMITED
(A Wholly Owned Subsidiary of Tata International Singapore Pte Limited)

STATEMENT OF STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2015
(Dollars in thousands)

	Common Stock		Additional Paid-In	Retained	Accumulated Comprehensive	
	Shares	Amount	Capital	Earnings	Income	Total
BALANCE—April 1, 2014	100	$ -	$ 18,000	$ 11,295	$ -	$ 29,295
Net income				957		957
Unrealized gain on foreign exchange hedge					245	245
BALANCE—March 31, 2015	100	$ -	$ 18,000	$ 12,252	$ 245	$ 30,497

See independent auditors' report and notes to financial statements.

TATA INTERNATIONAL METALS (AMERICAS) LIMITED
(A Wholly Owned Subsidiary of Tata International Singapore Pte Limited)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015
(Dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 957
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	10
Net changes in operating assets and liabilities:	
Accounts receivable	(8,577)
Accounts receivable from affiliates	(12)
Inventories	(16,927)
Prepaid expenses and other assets	555
Trade payables	15,157
Accrued and other current liabilities	2,579
Amounts due to affiliates	26,650
Net cash provided by operating activities	20,392
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases equipment	(6)
Net cash used in investing activities	(6)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Short term debt payments	(355,036)
Short term debt borrowings	338,444
Short term loan from affiliate	(4,500)
Net cash used in investing activities	(21,092)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(706)
CASH AND CASH EQUIVALENTS:	
Beginning of year	1,956
End of year	$ 1,250

See independent auditors' report and notes to financial statements.

1. BUSINESS DESCRIPTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Business—Tata International Metals (Americas) Limited (the "Company") is a wholly-owned subsidiary of Tata International Singapore Pte Limited, which is a subsidiary of Tata International Limited (the "Parent"), a company incorporated in India. The Company's principal activities, which are described below, are subject to the cyclical supply and demand inherent in the worldwide steel industry.

The Company's fiscal year end is March 31.

The Company is involved in the sale and distribution of steel and metal products, primarily in North and South America.

The Company grants credit to certain of its customers, who are primarily in the steel service, heavy manufacturing, and construction industries, and requires no collateral in North America, but requires a 10% prepayment on orders for South American customers. The Company has obtained third-party credit risk protection insurance for substantially all sales to mitigate the risk of loss. The Company's 10 largest customers accounted for approximately 33% of net sales for the year ended March 31, 2015 and represented approximately 28% of accounts receivable at March 31, 2015.

Cash and Cash Equivalents—The Company routinely maintains balances in financial institutions in excess of the federally insured amount. The Company has not experienced any losses relating to such deposits.

Accounts Receivable—The allowance for doubtful accounts was $55 at March 31, 2015. Continued efforts are made on an account-by-account basis to collect bad debts and amounts are written-off only when final notification is received confirming that the amount is uncollectible. For current accounts that are deemed uncollectible and those that are written-off, the Company is able to seek reimbursement under the Company's third-party credit risk protection insurance policy. The insurance policy pays 90% of the outstanding balance on claims filed.

Inventories—Inventories are stated at the lower of cost or market value with cost being determined under the specific identification method.

As of March 31, 2015, the inventory reserve was $181. Inventory quantities for all materials are regularly reviewed and provisions for excess or obsolete inventory are recorded, when necessary, based on the Company's assessment of future demand and market conditions. The majority of the Company's inventory is in-transit. The Company has third party marine insurance, which provides coverage for the inventory in-transit.

Fixed Assets—Expenditures for major renewals and improvements are capitalized at historical cost; expenditures for repairs and maintenance are charged to expense as incurred. Depreciation and amortization have been computed using the straight-line method based on the following estimated useful lives: machinery and equipment, three to eighteen years; hardware and software, six years or less; and leasehold improvements, the lesser of the term of lease or its useful life. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

Income Taxes—The Company applies an asset and liability approach to accounting for income taxes. Deferred tax assets and liabilities are established for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities, using tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that a portion or all of the deferred income tax assets will not be realized, including deferred income tax assets attributed to net operating loss carryforwards.

Revenue Recognition—Revenue is recognized as product is shipped from locations in North and South America. For product that is shipped directly to the Company's customers from mills, revenue is recognized based on the terms of the sale, either when the product is delivered to the customer or as the product enters the port of entry in the United States. Costs to ship finished product to the customer are not generally billed to the customer. Shipping costs incurred by the Company in the purchasing and sales processes are recorded as cost of products sold.

Fair Value of Financial Instruments—The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued liabilities, and loans due from (to) affiliates approximate fair value due to the immediate or short-term maturity of these financial instruments.

Foreign Currency Transactions—Transactions denominated in foreign currencies are translated at the rates prevailing at the date of the transactions. Gains and losses resulting from the settlement are recognized in income. Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rate on the balance sheet date resulting in gains and losses recognized in other income. The Company uses currency exchange hedges to reduce the variability of expected future cash flows associated with sale transactions into Canada. The change in fair value of the hedges is reported as a component of other comprehensive income. The total pre-tax amount in other comprehensive income related to currency hedges was a $394 gain as of March 31, 2015.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements—Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("Update 2014-09"). In May 2014, the FASB issued Update 2014-09. Update 2014-09 outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The pronouncement is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. The impact of the adoption of Update 2014-09 to the Company's financial position or results of operations is currently under evaluation.

A variety of other potential standards are currently being studied by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, we have not yet determined the effect, if any, that implementation of such proposed standards would have on our financial statements.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information as of March 31, 2015 is as follows (in thousands):

Cash paid (received) during the period for:	
Interest paid	$ 972
Income tax	794

3. COMMITMENTS AND CONTINGENCIES

Operating Leases—The Company is obligated under operating leases for offices, some of which contain renewal options, and a copier. Future minimum lease payments under non-cancelable operating leases as of March 31, 2015, are as follows (in thousands):

Years Ending	
2016	$ 214
2017	209
2018	205
2019	207
2020	210
Thereafter	20
Total	$ 1,065

Total rental expense under operating leases was approximately $184 for the year ended March 31, 2015.

Contingencies—The Company has no claims or complaints arising in the ordinary course of business that have been filed or are pending against the Company.

The Company recorded $2,132, as a long-term accounts receivable, relating to a claim against a supplier that has been outstanding and in foreign litigation since 2009. Management expects, based upon its assessment, made in consultation with counsel, that the amount of the claim is fully collectable.

4. POSTRETIREMENT PLANS

The company offers a retirement savings plan (the "Savings Plan") to eligible employees as defined in the plan document. Employees are eligible to participate in the Savings Plan from date of hire and may contribute up to 15% of their annual compensation on a pretax basis. The Company makes a matching contribution up to certain limitations as defined in the plan document on employee contributions. The company incurred an expense of approximately $463 for the year ended March 31, 2015.

5. RELATED-PARTY TRANSACTIONS

The Company purchases products that it sells from other affiliates at prices negotiated between the buyer and seller. The repayment terms for products purchased are agreed to by the Company. The companies that inventory is purchased from are Tata International Metals (UK) Limited, Tata International Metals (HK) Limited, and Tata International Singapore PTE Limited.

A summary of related-party transactions not identified on the face of the financial statements for the year ended March 31, 2015, are as follows (in thousands):

Cost of inventory purchased from affiliates	
Tata International Metals (UK) Limited	$ 73,857
Tata International Metals (HK) Limited	93,106
Tata International Singapore PTE Limited	50,537
Total	$ 217,500
Interest expense	
Tata International Metals (HK) Limited	$ 175
Due to affiliates	
Tata International Metals (UK) Limited	$ 1,227
Tata International Metals (HK) Limited	50,968
Tata International Singapore PTE Limited	7,388
Total	$ 59,583
Due from affiliates	
Tata International Singapore PTE Limited	$ 53

6. INCOME TAXES

The significant components of the income tax provision as of and for the year ended March 31, 2015, is as follows (in thousands):

Current income tax provision	
Federal	$ 874
State	(30)
Total	844
Deferred income tax provision	
Federal	(169)
State	(16)
Total	(185)
Total income tax provision	
Federal	705
State	(46)
Total	$ 659

The significant components of deferred income tax assets and liabilities as of and for the year ended March 31, 2015, is as follows (in thousands):

Accrued bonus	$ 448
Commission payable	193
Claims reserve	186
Accrued miscellaneous	165
Inventory capitalization	139
Inventory reserve	69
Other	100
Gross deferred income tax assets	1,300
Unrealized foreign exchange	(149)
Net deferred tax assets	$ 1,151

The reconciliation of the Company's effective tax rate on income from continuing operations and the statutory rate is as follows:

Federal tax	35.00 %
State tax	(3.46)
Permanent items	2.00
Other	7.26
Total provision rate	40.80 %

The Company made net payments for income taxes of approximately $794 for the year ended March 31, 2015. The Company did receive a state tax refund of $45K for the year ended March 31, 2015.

The Company recognizes tax benefits from uncertain tax positions when it is more-likely-than-not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold. The Company had no unrecognized tax benefits at the beginning or end of 2015. The Company does not expect its unrecognized tax benefits balance to change in the next 12 months. The Company is in the process of an Internal Revenue Audit for the tax year ending 2013, and does not anticipate any findings. The Company's 2012, 2013 and 2014 tax years remain open due to the statute of limitations and may be subject to examination by Federal, state, and local tax authorities.

7. FACTORING AGREEMENT

The Company utilizes a disclosed invoice discounting program with BNP Paribas Fortis that provides factoring up to $65,000 in order to facilitate the growing demand for goods and services and to ensure that the Company has sufficient available funds to manage operations. As of March 31, 2015 a total of $13,031 was outstanding on the discounting facility. Borrowings accrue interest at 1.75% over the lender's cost of funds which is equal to one-month U.S. LIBOR plus .85% in addition to a factoring fee of .09%.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

In establishing a fair value, there is a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The basis of the fair value measurement is categorized in three levels, in order of priority, as described below:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, or

Unadjusted quoted prices for identical assets or similar assets or liabilities in markets that are not active, or

Inputs other than quoted prices that are observable for the asset or liability

Level 3 Unobservable inputs for the asset or liability

We utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirely based on the lowest level of input that is significant to the fair value measurement.

We have determined that our financial assets and liabilities are Level 2 in the fair value hierarchy. The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2015 (in thousands):

Assets:	
Forward foreign currency contracts	$ 394

Our forward foreign currency contracts are included in prepaid expenses and other current assets and mature within 12 months. The forward foreign currency contracts are primarily valued based on the foreign currency spot and forward rates quoted by the banks or foreign currency dealers. As such, these derivative instruments are classified within Level 2.

The fair values of cash and cash equivalents, short term debt, accounts receivable and accounts payable approximate carrying amounts due primarily to their short maturities.

9. NEW BUSINESS RELATIONSHIP

On January 22, 2015, the Company negotiated an agreement with Totem Steel International ("Totem") under which Totem continued its operations as Tata International Metals (Americas) Limited. The agreement pays a commission quarterly over the next three years based on aggregate net profit, after which time the commissions cease, and all business is transacted under the Tata name.

As of March 31, 2015 no commission had been paid.

10. SUBSEQUENT EVENTS

The Company has evaluated events subsequent to March 31, 2015, to assess the need for potential recognition or disclosure in these financial statements. Such events were evaluated through July 1, 2015, which is the date these financial statements were available to be issued.

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