COGENT

SURAHAMMARS BRUKS AB

Corporate ID number 556050-1206. The company is a public company.

ANNUAL REPORT 2014/15

April 1 - March 31

Surahammars Bruk is wholly owned sister company of Cogent Power Ltd, which on the other hand is sister company to Tata Steel Europe Ltd.The Company is part of Tata Steel Group,which on the other hand belongs to Tata Group.

MANAGEMENT REPORT

Group affiliation

Surahammars Bruks AB is the sister company of Cogent Power Ltd (headquarters Newport, South Wales, Great Britain), which is 100% owned by Tata Steel Europe Ltd (headquarters London, Great Britain). This company is in turn wholly owned by Tata Steel Group (headquarters India), the sister company of Tata Group (headquarters India).

Surahammars Bruks AB is the Parent company of Cogent Power Inc. in the U.S. of A., and Cogent Power Inc., in Canada. These two sister companies own half of the Mexican company, named Cogent Power S.A. de C.V. The previous three Mexican units were merged in June 2005 to an entity.

Group s activities

The Parent company produces electrical steels, which is mainly used in electric motors and generators. The operating business of the sister company are conducted in the Canadian company, the Cogent Power Inc (CPI, other sister companies are dormant. CPI manufactures cores for transformers, fitting and cutting of electrical steels according to customer specifications, and furthermore conducts cutting for customers outside the Cogent-group.

Market

The market for the company remained intense with great pressure on prices and short-term planning. Volumes have decreased along with the sales of the company during the period 2014/15 and this resulted in continued losses.

The company's turnover and volume decreased during 2014/15 and is far from previous years of normal levels. Net sales fell by 12.7% to SEK 378 million (MSEK 433). Delivery volumes fell by 12% to SEK 39.9 million (MSEK 45.5).

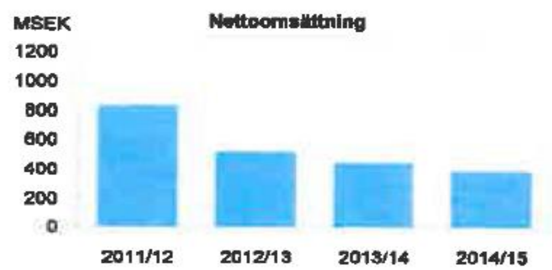
Earnings and profitability

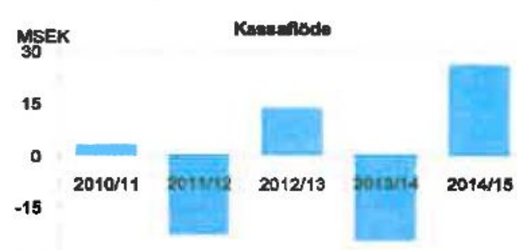
Volumes and purchase prices have continued to fluctuate during 2014/15. We have a continued focus on how to increasing sales to profitable customers and markets, as well as the control of costs.

The operating profit amounted in 2014/15 to MSEK -108.5 (MSEK -56.9). The gross margin was of -14.8% (1.4%), the operating margin was of -28.7% (-13.1%), capital employed was of -30.0% (-37.5%) and the return on equity was of -46.1% (-45.2%).

New accounting principles

This is the first annual report prepared in accordance with BFNAR 2012:1 Annual Report ("K3").





Investments
No further investments were made in the fiscal year 2014/15.

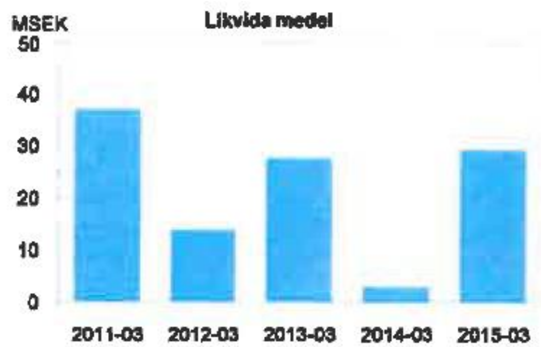
Depreciation during the year amounted to MSEK -9.8, compared with MSEK -10.5 in the year 2014/15. The impairment of fixed assets during the year amounts to MSEK -40.287

Cash flow
The cash flow was affected by the loss during the fiscal year. During the year, the company has taken a short-term loan equivalent to MSEK 87 by the parent company, Tata Steel Europe Ltd.

The net cash flow was of MSEK 26.4, compared with MSEK -24.7 in the previous year.

Financing and liquidity
At the end of the year, the equity portion of total assets (equity ratio) amounted to 18.5% (37.1%). Besides the short-term loan from the parent company, the company's only interest bearing debt is allocated to pensions, which amounted to MSEK 24.7 (27.4 million). During the fiscal year, the company repaid approximately 5 million for pension liabilities. During 2015/16, the Company will amortize about MSEK 5 on this.

At the end of the year, the Company's cash register held MSEK 29.1 (MSEK 2.7). Since 31.12.2014, the Company had no bank overdrafts.



Currency
The sales to export markets are handled in local currencies, or more generally currencies such as EUR, USD and GBP. With the market distribution and export sales, the gained inflows are mainly in EUR, USD and GBP. Also the outflow of the currency, as a result of purchases, is preferably conducted in these currencies. These purchases concern hot strip, transportation, rolls, varnishes, oil-related products and investment goods.

Usually, the Company has net inflows in all foreign currencies that are used. The Company's currency policy means that all inflows of currency need to be matched and net inflows need to be assessed for risk by forward contracts. This process is based on customer orders and ordered purchases. In normal circumstances, this means that the coming quarter's net flow is largely covered at any given time, while the flow on longer term are covered until the extent binding commercial agreements is confirmed.

The result effect of currency rate fluctuations amounted to MSEK 2.9 (MSEK 0.7). The total outstanding contractually covered net flow on the balance sheet date amounted to MSEK 0 (MSEK 0).

Research and development
As not all of the criteria for capitalization are met, the development costs will burden the operating result continuously. Most of the costs constitute applied research activity. The development has been concentrated on the continued development of new varieties of hot strip from a new supplier with a new process, and the development of new products with improved properties. Some projects related to engines for electric and hybrid vehicles are operated jointly with the parent company Tata Steel and a number of other partners.

The focus of this development was on electrical steels with low losses for use in large rotating machines and thin sheet metal grades for use at high frequencies. In the latter case, a new plate variety and a new varnish will be introduced during the previous year.

Environmental impact
The Company is certified pursuant to ISO 14001:2004. The Company strives to operate in a way that, at a reasonable cost, causes the smallest possible environmental impact. This means that processes, transports and practices must be designed taking into the account the environmental impact, and the Company strictly follows the laws, current regulations and other requirements for the Company.

A structure with a number of targets has therefore been defined, and will be followed up in the management system.

All investment requests must be assessed for environmental impact before their approval. The characteristic of Company's present products is that these save energy during customers' applications.

The Company conducts its activities pursuant to the Environmental Code. The business affects the external environment mainly through the emissions to air, land, water and the noise. Our license obligation includes the entire production up to a volume of 400,000 tons of steel ingots, representing about 240,000 tons of ejected material.

The company received a new environmental permit under the Environmental Code by a judgment of the MMD which became final in early January 2015. The judgment followed the company's proposed conditions according to the submitted application. On a few points, the investigations should be made in 2015 before the final conditions were determined. The judgment allows a total production capacity of 160,000 tonnes of electrical sheets per year. The manufacturing-oriented electrical sheets, GO, can be resumed by the Company within the total volume given.

Noting that the company conducts environmentally hazardous activities under the Environmental Code, premiums will be paid to the mandatory environmental damage and remediation insurance. The company has also signed environmental liability insurance.

The work to cover the company's old landfill for hydroxide sludge is ongoing and should be completed by the end of 2016. For this work, a provision equivalent to MSEK 1.2 will be available at the end of the financial year.

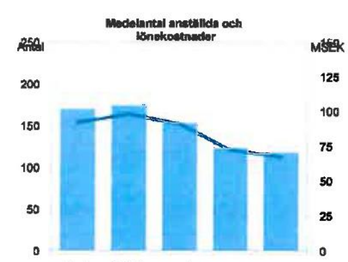
In August 2008, the Environmental Court approved a plant of a new landfill, just south of the present Company's service facilities. The new landfill is constructed but not landscaped, because all used acid is presently sent to manufacturers of precipitation chemicals.

The Company is connected to the Repa-register, and pays fees for the packaging amounts of metal, cardboard, paper, corrugated cardboard and plastic, which are deployed to the Swedish market. The Repa-register disburses that money to a number of companies working with packaging recycling.

The Company is as manufacturing industry exempt from the energy taxes, but pays carbon tax on their consumption of gas and fuel oil. Total cost for carbon fees were MSEK -0.658 for the year 2014/15 (MSEK -0.75).

An environmental plan was performed by the third party during the year. Along with company's self-control, as reported in the annual environmental report, this shows that the environmental work was carried out well and only minor discrepancies have been reported.

Quality
The Company's products and services must be of a quality that meets customer requirements. In order to fulfill this, the Company is certified according to ISO 9001:2000. The Norwegian Veritas is Company's auditor for the management system ISO 9001:2000 and ISO 14001:2004.



Staff
In the autumn, it was noted that the volume reduction due to the customs duties to the United States, the conflict in Ukraine, and the otherwise very difficult economic situation, means that further adjustment of the workforce must be made. This was carried out in the period from January to March and a new organization was in place from 1st of April 2015. The new organization consists of 80 people. The average number of employees was 117 (122), of which 17% (16.4%) were women.

The Group prioritizes very much the preventive protection work and conducts continuously an internal training, in order to achieve safer production practices. As a complement to the safety inspections, health and safety tours are also carried out every week, where the focus is on behavior.
An important key figure is the reporting of security risks and incidents.

The Company has a continuous work to improve work routines and work processes, and great focus is put on identifying risk moments in the process and to make sure that all employees are aware of how they can conduct their work as safely as possible. After that the staff group has decreased a great effort was made to put awareness on health, protection and safety.

The Parent company is certified, by The Norwegian Veritas pursuant to their standard ISRS (International Safety Rating System) level 7, for its approach to employees' safety in the daily working environment.

The total wage costs incl. social charges and pension costs amounted to MSEK 67.214 (MSEK 72.2), representing 16.7% (18%) of net sales.

Sister companies
Operating activity in the sister company is conducted only in the Canadian company, Cogent Power Inc. (CPI) - other sister companies are dormant.

The net turnover of CPI amounted to MCAD 149 (compared with MCAD 121.6 in the year 2013/14). The profit after the financial items amounted to MCAD + 5.8 (MCAD +4.8). Shareholders' equity at the end of March amounted to MCAD 33.8. The number of employees for the year amounted to 318 (224).

Development April 2015 - March 2016
We can see a big change sooner following the recent financial crisis. Competition in the low silicon and the silicon material from Russian and Asian suppliers remains fierce. This means that the margins on these products are very low. We also see that the lead time for the delivery to the customers got shorter and shorter, and this is in the benefit of Surahammars Bruk, because the rationalizations within the last years have created a very flexible company with extremely short delivery times.

Customs duties on exports to the US became a reality in November 2014. Sweden was hit by 126% duty for NOFP materials. This resulted in a volume loss of ca.6000 tonnes with a good margin. In the current market situation, we see no possibility to quickly replace the volume without expecting the volumes for 2015/2016 to be lower than in 2014/2015. Materials with thickness below 0.20 mm were not affected by the export duties and we hope that volumes may increase slightly.

The work of introducing the new organization is continued and is expected to reduce costs and to contribute to reverse the result. The development and manufacture of hot strip moved to Port Talbot in Wales from Ijmuiden in Holland. This means that we have the opportunities to get better access to materials with high silicon production for our most profitable varieties, and that the width of the hot strips becomes more favorable and will affects our yield in a very positively way. The ongoing cost savings and marketing activities are expected to result in a positive development over time.

Currently we work to move Surahammars Bruks AB to a satisfying cash liquidity even during the financial year 2015/16, something that is going to mean that the sister company Cogent Power Inc. will be sold. If this is implemented and considering the budget for 2015/16, the company believes that the cash situation will be dealt with in a satisfactory manner. Sales will also mean that the company is expected to strengthen its own capital in the coming activities.

The work of introducing the new organization is continued and is expected to reduce costs and to contribute to reverse the result. Moving the production of hot strips to Port Talbot in Wales has resulted in better access to the high silicon materials of better widths and this had an effect on our production. The ongoing cost savings and marketing activities are expected to result in a positive development over time.

Distribution of profit
It will appear from the Company's Accounting principles that the forward contracts are evaluated at a fair value. The market value on forward periods on the balance sheet date amounted to 39 KSEK, which affected the annual result.

According to the balance sheet the available earnings amounted by 31.06.2015 to

retained earnings	13,327,506
net profit	-43,260,303
	-29,932,796

The Board proposes the disposable earnings to be carried forward. No allocation to restricted provisions is proposed.

INCOME STATEMENT

KSEK	Note	**2014/15** April-March	2013/14 April-March
Net turnover	1	378,058	433,176
Cost of goods sold	2	-433,277	-427,128
Gross profit		-55,218	8,048
Selling expenses	2,3,4	-35,700	-43,827
Administrative expenses	2,3,4	-19,732	-18,818
Research and development expenses	2,3,4	-1,074	-1,074
Other operating income	2,3.4	3257	815
Operating income		-108,467	-58856
Income from financial investments			
Profit from shares in group companies	5	53,410	0
Other interest received and similar profit items	5	20	116
Interest expense and similar profit items	5	-2,052	-2,982
Total profit from financial investments		51378	-2,866
Profit after financial items		-57,089	-59,722
Dividends received	6	16236	10202
Tax on profit	7	-2,407	0
Annual total profit		-43,260	-49,520
Return on capital employed before taxes	21	-35.0%.	-30.0%.
Return on shareholders' chapter after tax	21	-96.2%.	-46.1%.
Solidity	21	20.1%.	37.1%.
Earnings (after taxes) per share, SEK	21	-72.10	-82.53

BALANCE SHEET

KSEK	Note	**31 March 2015**	31 March 2014
ASSETS			
Fixed assets			
Tangible fixed assets			
Land and buildings	B	7,365	7,581
Machinery and other technical facilities	9	14,087	57,715
Equipment, tools and installations	10	0	17
		21,452	65,313
Financial fixed assets			
Shares in subsidiaries	11	10,000	10,000
Other long-term receivables		597	2,463
		10,597	12,463
Total fixed assets		32,049	77,775
Current fixed assets			
Inventories etc.			
Raw materials and consumables		30,011	33,953
Goods in production		41,244	48,944
Finished goods and trading goods		15,968	19,374
		87,223	102,271
Short-term receivables			
Accounts receivable		56,062	52,499
Receivables from group companies		4913	17,642
Tax receivables		7,353	5,800
Other short-term receivables		3,012	3,329
Prepayments and accrued income	12	3,828	9,603
		75167	88,873
Cash and bank balances		29180	2,748
Total current assets		191,571	193,892
TOTAL ASSETS		223,619	271,667

BALANCE SHEET

KSEK	Note	**31 March 2015**	31 March 2014
EQUITY CAPITAL AND LIABILITIES			
Equity	13		
Restricted equity capital			
Share capital (600,000 shares)		60,000	60,000
Statutory reserve		14900	14,900
		74,900	74,900
Unrestricted equity			
Retained earnings		13,328	62,847
Profit for the year		-43,260	-49,520
		-29,932	13,328
Total equity		44,968	88,228
Untaxed reserves	14	0	16,236
Provisions			
Provisions for pensions and similar obligations	15	24,698	27,350
Other provisions	16	14,411	7,245
Total provisions		39,109	34,595
Short-term liabilities			
Prepayments from customers		324	259
Accounts payable		4,936	4174
Liabilities to Group companies		106,963	100,502
Other short-term payables		6,030	6109
Accrued costs and prepaid income	17	21,289	21,565
Total short-term payables		139,542	132,609
TOTAL EQUITY AND PAYABLES		223,618	271,667
Contingent assets	18	596	2,463
Contingent liabilities	18	506	546

CASH FLOW STATEMENT

KSEK		**2014/15** April-March	2013/14 April-March
OPERATING ACTIVITIES			
Operating profit before financial items		-108,467	-56,856
Depreciation		43,861	10,490
Other non-cash items	19	-9,340	-11468
		-73,946	-57,834
Profit from shares in group companies		53,410	0
Interest received		20	116
Interest paid		-899	-1,434
Income tax paid		-3,961	-2197
		-25,376	-61,349
Increase/decrease in inventories		15,048	-4,342
Increase/decrease in customer receivables		-3,562	9,733
Increase/decrease in other short-term receivables		17,083	-10,163
Increase/decrease in accounts payable		-2,648	-4,601
Increase/decrease in short-term operating debt		24022	44,710
Cash flow from operating activities		24,566	-26,012
INVESTING ACTIVITIES			
Increase/decrease in financial investments		1,866	1,326
Cash flow from investing activities		1,866	1326
FINANCING ACTIVITIES			
Cash flow from financing activities		0	0
Annual cash flow		26432	-24,686
Cash and cash equivalents at beginning of year		2,748	27,434
Exchange difference in liquid funds		0	0
Cash and cash equivalents at end of year		29180	2,748

Accounting principles

Accounting principles
The company applies the Swedish Annual Accounts Act (1995:1554) and the general guidelines of the Swedish Accounting Standards Board, BFNAR 2012:1 Annual report and consolidated financial statements (K3).

This is the first year the company applies the K3. The transition dates to K3 has been determined to be the 1st of April 2013. The company applied the previous accounting principles corresponding with the Annual Accounts Act and statements and general advice from the Swedish Accounting Standards Board for major companies. When the general advice from the Swedish Accounting Standards Board is lacking, guidance is obtained from the Financial Accounting Standards Council's recommendations and, where applicable, from FAR statements.

In the transition to K3, the provisions of Chapter 35 will apply. The first time the general advice applies, companies are required to apply K3 retroactively. This means that the comparative figures for 2013 are recalculated according to K3. However, there are some voluntary and mandatory exceptions to this general rule and it aims at facilitating the transition to K3. A description of how the company has applied these exceptions, including a description of how the results and financial position was affected by the transition to K3 and a summary of the changes made to the accounting principles will be presented in Note 13.

Revenues
Revenues are recognized at the fair value, out of the compensation that has been acquired or received, net of VAT, discounts, returns and other similar allowances.

Sales of goods
Revenues from sale of goods are recognized when goods are delivered and the ownership has been passed to the customer, and when all the below conditions are fulfilled:

- The company has transferred the significant risks and rewards, along with the ownership of the goods;
- The company no longer has any commitment in the on-going management that is usually associated with the ownership and does not exercise any control over the sold goods,
- revenues can be measured in a reliable way;
- the economic benefits associated with the transaction will accrue to the company, and
- the fees incurred or to be incurred in respect of the transaction, can be measured in a reliable way.

Dividends and interest income

The dividend income is recognized when the owner's right to receive payment is established.

Interest income is recognized at the maturity using the effective interest method. The effective interest rate is the rate that makes all future cash receipts and disbursements during the the fixed interest term to be equal to the revised value of the receivable.

Leases
A finance lease is a contract under which the risks and benefits associated with the ownership of an asset will be entirely transferred from the lessor to the lessee. Other leases are classified as operating leases. All leases are accounted for as operating leases.

Leasing fees under an operating lease are expensed linearly over the lease period, unless in better reflects the user's benefit over time in another systematic way.

Lessors
Leasing revenues for operating leases are recognized linearly as income over the lease period, unless it better reflects in another systematic way how the economic benefits attributed to the object decrease over time.

Foreign currency
The company's reporting currency is the Swedish krona (SEK).

Conversion of items in foreign currency

The monetary items are calculated in foreign currency on the balance sheet date. Non-monetary items measured at historical acquisition cost in a foreign currency will not be calculated. Exchange differences are recognized in operating profit or as financial items based on the underlying transaction, in the period they occur, except for transactions constituting a hedging and meeting the conditions for hedge accounting of cash flows or net investments.

Loan expenses
Loan expenses are recognized in the income statement in the period in which these occur.

Benefits to employees
Benefits to employees in the form of salaries, bonuses, paid holidays, paid sick leave, etc. and pensions are posted as they are earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The company has only defined contribution pension plans. There are no other long-term employee benefits.

Defined contribution plans
For defined contribution plans, the company pays fixed contributions to a separate independent legal entity and has no obligation to pay additional fees. The company's earnings are charged with costs as the benefits are earned, which normally coincides with the time when the premiums are paid.

Income tax
Tax expense is the sum of current and deferred tax.

Current tax
Current tax is calculated on taxable earnings for the period. The taxable profit differs from the reported profit in the income statement, as it is adjusted for non-taxable income and non-deductible expenses as well as income and expenses that are taxable or deductible in other periods. The current tax is calculated using the tax rates that apply at the balance sheet date.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the taxable value used in calculating the taxable profit. Deferred tax is recognized using the balance sheet method. Deferred tax liabilities are recognized for practically all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that amounts can be used against future taxable surpluses. Untaxed reserves are reported including deferred.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent it is no longer probable that sufficient taxable profit will be used, wholly or partly, against the deferred tax asset.

The valuation of deferred tax is based on how the company, as of the balance sheet date, expects to recover the carrying value of the corresponding asset or settle the carrying amount for the associated liabilities. Deferred tax is calculated based on the tax rates decided at the balance sheet date.

Current and deferred tax for the period
The current and deferred tax are recognized as an expense or income in the income statement, except when the tax is attributable to items recognized directly in equity. In such cases, the tax is also recognized directly in equity.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

The acquisition cost consists of the purchase price and costs directly attributable to usage. Subsequent costs are only included in the asset or recognized as a separate asset, when it is probable that future economic benefits associated with the item will flow to the company and when it is probable that the cost of the same can be measured reliably. All other costs related to repairs and maintenance, and commanding expenses will be recognized in the income statement in the period in which they arise.

When the difference in the consumption of a tangible asset's significant components is deemed essential, access will be shared up to these components.

Depreciation on tangible assets is expensed so that the purchase cost of the asset, possibly less estimated residual value at the end of the useful life, will be amortized over its estimated useful life. If an asset has been divided into various components, each component will be separately written over the useful life. Depreciation begins when the tangible fixed asset can be used. The useful lives of tangible fixed assets are estimated at:

Vehicles, computers, office equipment, instruments	3-7 years
Light machinery	8-12 years
Heavy machinery, cranes	13-17 years
Buildings	
Frames	25 years
Strains	25 years
Façade	25 years
Roofs	25 years
Building equipment and land improvements	10-27 years

The useful life of land is unlimited and therefore the land cannot depreciate.

Estimated useful lives and depreciation methods are reviewed if there are indications that the expected consumption has changed significantly compared to the estimate in the previous balance sheet date. When the company changes the assessment of the useful lives, residual value of an asset will also be reviewed. The effect of these changes are recognized prospectively.

Derecognition
The carrying value of a fixed asset is derecognised upon disposal or sale, or when no future economic benefits are expected from use or disposal/sale of the asset or component. The profit or loss arising when a tangible fixes asset or a component is derecognised, is the difference between what is possible obtained after deduction for direct selling expenses and the asset's carrying value. The capital gain or losses arising when a tangible asset or component is removed from the balance sheet are recognized in the income statement as other operating income or other operating expense.

Impairment of tangible fixed assets and intangible assets
At each balance sheet, the company analyzes the carrying values of tangible fixed assets and intangible assets to determine whether there is any indication that those assets have declined in value. If so, the asset's recoverable value will be calculated in order to determine the value of a possible impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable value of the cash-generating unit to which the asset belongs will be calculated.

The recoverable amount is the higher of fair value less selling costs and value in use. The fair value less the selling expenses is the price the company expects to obtain from a sale between knowledgeable, mutually independent parties and who have an interest in the transaction, net of such costs directly attributable to the sale. In calculating the fair value, the estimated future cash flows will be discounted to present value using a discount rate that reflects the current market assessments of the monetary value over time and the risks associated with the asset. In order to calculate future cash flows, the company used the budget and forecasts for the next five years.

If the recoverable amount of an asset (or cash-generating unit) is set at a value lower than the carrying amount, the carrying amount of the asset (or cash-generating unit) will be written down to the recoverable amount. An impairment loss is immediately expensed in the income statement.

At each balance sheet date, the company makes an assessment of whether the previous impairment is no longer justified. If so, the impairment is reversed partially or totally. When an impairment loss is reversed, the asset's (the cash-generating unit's) carrying value will increase. The carrying amount after reversal of impairment loss, shall not exceed the carrying amount that would be determined if no impairment had been made of the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized directly in the income statement.

Shares in group companies
Shares in subsidiaries are carried at the acquisition cost. Dividends from subsidiaries are recognized as revenue when the right to receive dividends is considered safe and can be calculated in a reliable way.

Inventories
Inventories are valued at the lowest acquisition value and net realizable value at the balance sheet date. The acquisition cost is calculated using the first-in-first-out (FIFO) method. Net realizable value is the sales value less calculated costs that are directly attributable to the sale transaction.

The acquisition cost includes expenses related to the purchase, manufacturing and other expenses incurred in bringing the inventories to their present location and condition. The acquisition cost of a self-constructed asset includes, in addition to those costs directly attributable to the production of the asset, an appropriate proportion of indirect manufacturing costs.

Cash and cash equivalents
Cash and cash equivalents include cash and demand deposits at banks and other credit institutions and other short-term liquid investments that are readily convertible into cash and subject to insignificant risk of changes in value. To be classified as cash equivalents, the duration may not exceed three months from the date of acquisition.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) and when as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and provided a reliable estimate of the amount can be made.

Provisions are reviewed at each balance date and are adjusted to reflect the best estimate of the expenditure required to settle the present obligation at the balance sheet date, by taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the expenditures expected to be required to settle the obligation, the carrying amount of the present value of these payments must correspond.

Where part or all amount required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized separately as an asset in the balance sheet when it is virtually certain that it will be received if the enterprise settles the obligation and if the amount can be reliably estimated.

Restructuring reserve
A provision for restructuring the activities will be recognized when the company must complete the restructuring as a result of a legal or constructive obligation. A constructive obligation exists when the company has an established and extensive restructuring plan and those affected have a well-founded belief that the restructuring will happen.

Onerous contracts
A provision for onerous contracts is recognized when the unavoidable costs of meeting the contract exceeds the economic benefits expected.

Shareholder contributions
The shareholder contributions obtained are recognized as an increase to the carrying value. Shareholder contributions obtained are recognized directly in the equity.

Contingent liabilities
A contingent liability is a possible obligation arising from past events and whose existence will only be confirmed by one or more uncertain future events that are not wholly within the control of the company, occurring or not occurring, or a present obligation as a result of past events, but which is not recognized as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or provided obligations cannot be measured with sufficient reliability. Contingent liabilities are recognized in the balance sheet.

Cash flow statement
The cash flow statement shows the company's changes in cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The reported cash flow only covers transactions involving incoming and outgoing payments.

Currency risk
Currency risk represents the risk that the fair value or future-flows will fluctuate due to changes in exchange rates. The company operates in several geographic markets and in different currencies and therefore, is exposed to currency risk. Exposure to currency risk derives mainly from payments in foreign currency, so-called transaction exposure, as well as from the conversion of balance sheet items in foreign currencies.

The company's outflows mainly consist of EUR while the company's inflow mainly consists of EUR. The company is thus limited influenced by changes in these foreign exchange rates.

Hedge accounting
In order to limit the risks of on-line trading, this is hedged gradually over the hedging period, e.g. current year plus three years, as described below, which outweighs the risk in the open position against the risk in the hedged position. Guidelines for hedge shown in the table below, where the hedge level concerns the hedged volumes for each period, in relation to the expected consumption.

	Current year							
	Q1	Q2	Q3	Q4	Yr	Yr+1	Yr+2	Yr+3
1 January	80%	73%	68%	51%	68%	37%	19%	0%
1 April		80%	74%	61%	73%	45%	23%	5%
1 July			80%	70%	77%	54%	28%	9%

Significant estimates and judgments

Inventory obsolescence
The impairment is calculated and assessed acc. to the instruction. The estimated obsolescence amounts to MSEK -2.393 if the volume to be sold at normal price is KSEK -647. In the inventory valuation as of March 31, a general reserve of MSEK 2.0 is available. Hence, additional impairment is not considered to be needed.

Doubtful receivables
Provision is made acc. to the instructions on accounts receivable past due more than 120 days.

Note 1
Net turnover

	2014/15 KSEK	%	2013/14 KSEK	%
Sister company	**31,658**	**8.4%**	**23,726**	**5.5%**
Other Group companies	**2,263**	**0.6%**	**61,725**	**14.2%**
Outstanding	**344,137**	**91.0%**	**347,726**	**80.3%**
Total	**378,058**	**100.0%**	**433.176**	**100,0%**
Distribution of the net turnover per region	**KSEK**	%	**KSEK**	%
Sweden	109,467	29.0%	103,742	23.8%
EU	168,342	44.5%	168,760	43.6%
Rest of Europe	49,394	13.1%	42,944	9.9%
NAFTA	31,846	8.4%	65,570	19.8%
Rest of the World	19,010	5.0%	12,160	2.6%
Total	**507,323**	**100.0%**	**821,175**	**100.0%**

Note 2
Operational costs

	2015/2015	2013/2014
Raw materials, purchased products, etc.	**251,033**	**284,646**
Energy	**48,074**	**52,637**
Cost of human resources	**67,217**	**72,234**
Services	**70,106**	**70,022**
Depreciation pursuant to plan	**50,095**	**10,490**
Total	**486,525**	**490,032**

Operating expenses include fees and remunerations to accounting firms with:
Accounting

Deloitte	**330**	355
- Auditing activities other than the audit assignment		
- Tax counseling		
- Other services	30	34
Total	**360**	**389**

Operational leasing agreements:		
Annual charges	**1,965**	**2,042**
Within a year	**1,261**	**1,965**
Later than a 1 year but within 5 years	**216**	**1,261**
Later than a 5 year	**0**	**0**

Purchases from Group companies incoming in operating costs	**2014/15 KSEK**	**%**	**2013/14 KSEK**	**%**
Parent company	**123,795**	**25.4**%	**47,661**	9.7%
Other Group companies	**72,589**	**14.9**	**137,648**	**27.5%**
Total	**196,384**	**40.4%**	**182,309**	**37.2%**

Note 3

Average number of employees, salaries, other remunerations and benefit plans for employees

	2014/2015	2013/2014
Average number of employees		
Women	**20**	**20**
Men	**97**	**102**
Total	**117**	**122**
Salaries and remunerations to		
The Board	11	**10**
1Managing Director	0	0
of which bonuses	0	0
Other employees	**46,814**	**47,537**
Total salaries and remunerations	**46,525**	**47,547**
Welfare charges pursuant to the law and agreement	**20,382**	**24,687**
of which pension expenses, the Board	0	0
of which pension expenses, Managing Director	**0**	**0**
of which pension expenses, other Executive Directors*	**3,714**	**6,005**
Total wage expenses	**57,217**	**72,234**

No other obligations for pensions or similar benefits in addition to the above are not applicable.

CEO's terms of employment
Mark Cichuta took over as Managing Director in November 2010. Mark Cichuta is employed by the Parent company Cogent Power Ltd.

Board's activities

The Board consists of three members, including Company's Executive Director, and all were elected during the Annual General Meeting. In addition, there are two members with personal deputies, elected by the unions. Presently, one woman is Board member. Board remuneration was paid to the four employee representatives in the Board with 700 per meeting, representing 11 KSEK in 2014/15 (10 KSEK). During other Board meetings the Company has not paid anybody neither a compensation, wage nor Board remuneration.

Note 4
Depreciation

	2014/15	2013/2014
Buildings and land	**2016**	**257**
Machinery and other technical plant	**9,591**	**10,219**
Equipment, tools and installations	**0**	**14**
Total	**9,807**	**10,490**

Impairment

	2014/15	2013/14
Machines and other technical installations	34,037	10,219
Equipment, tools and installations	17	14
Summa	34,054	10,490

Note 5
Result from other financial investments

	2014/15	2013/14
Profit from shares in group companies	53,410	0
Interest income from parent company	0	0
Interest income from outsiders	20	116
Total	63,430	116

Interest expense and similar items		
Interest expense to parent company	616	1,273
Interest expense to outsiders	82	160
Estimated financial expenses, pension liabilities *)	1,154	1,546
Summa	2,062	2,982

***) The financial cost on pension liabilities corresponds to 5.5% (4.4%)**

Note 6

Dividends received allocations

	2014/15	2013/2014
Difference between recorded depreciation and depreciation pursuant to plan	16,236	**10,202**
Total	**16,236**	**10,202**

Note 7
Taxes

	2014/15	2013/2014
Current taxes current year 1)	**2,670**	**0**
Tax attributable to the previous year 2)	**-263**	**0**
Total	**2,407**	**0**
Effective tax rate in relation till profit after financial items	-	-
Effective tax rate in relation till profit before taxes	-	-

1) Tax relating to dividends from subsidiaries
2) Repayment property taxes after reassessment

Difference between reported tax expense and tax depending on current tax rate

Recognized profit before taxes	**-43,260**	**-49,520**
Tax pursuant to the current tax rate (26.3%)	**9,517**	**10,894**
Tax effect of non-deductible expenses	**-142**	**-62**
Tax effect of non-taxable income	**4**	**9**
Tax effect on imputed interest on tax allocation	**0**	**0**
Tax effect deficit	**-9,379**	**-10,841**
Adjusted Tax attributable to previous years	**0**	**0**
Effect of foreign tax law	**0**	**0**
Total	**0**	**0**

Temporary differences are present if the assets and liabilities reported and taxable values diverge. There are temporary differences in the Company, regarding the provision for anticipated customer losses or complaints and commissions pension commitments incl. payroll tax. At the end of the year these temporary differences amounted to 3,430 KSEK (4,537 KSEK). The deferred tax assets are estimated to be 755 KSEK (998 KSEK).

The difference between income taxes, that is recognized in the income statement, during the financial year and previous financial years, and the income taxes that accrue on the business these years, consists of deferred tax on untaxed provisions 0 SEK(3,572 KSEK).

Note 8

Buildings and land

	31.03.2015	31.03.2014
Incoming acquisition value *)	**41,987**	41,987
Annual changes		
Outgoing acquisition value	**41,987**	**41,987**
Incoming depreciation according to plan	-34,406	-34,148
Annual changes		
Depreciation	-216	-257
Outgoing depreciation according to plan	-34,622	-34,406
Residual value pursuant to plan	7,385	7,581
*) of which land value	5,840	5,840

Note 9

Machinery and other technical plant

	31.03.2015	31.03.2014
Incoming acquisition value	**310,933**	**310,933**
Annual changes		
Capitalized expenses	0	0
Outgoing acquisition value	**310,933**	**310,933**
Incoming depreciation according to plan	-253,213	-242,999
Annual changes		
Depreciation	-9,591	**-10,219**
Outgoing depreciation according to plan	-262,209	**-253,218**
Outgoing impairment	-34,037	**0**
Plan pursuant to residual value	**14,086**	**57,714**

Note 10
Equipment, tools and installations

	31.03.2015	**31.03.2014**
Incoming acquisition value	12,653	12,653
Annual changes		
Outgoing acquisition value	**12,653**	**12,653**
Incoming depreciation according to plan	-12,653	-12,653
Annual changes		
Depreciation	0	-14
Outgoing depreciation according to plan	**-12,653**	**-12,653**
Outgoing impairment	-17	0
Residual value according to plan	0	17

Note 11

Holdings in sister company

	Holdings	Nominal value		Recorded	Part of
	Amount	Currency	Amount	KSEK	equity
Foreign operating sister company					
Cogent Power Inc. in USA *)	1,000	USD	1,000	5,400	28,136
Cogent Power Inc. in Canada *)	3,000	CAD	300,000	4,600	195,764
Cogent Power SA de C.V. in Mexico *)	50,000	MXN	100,000	0	-7,080
Total				10,000	216,821

The holdings in the entire sister company equal to 100% of capital.

*resp. headquarters Bridgeport Connecticut, Burlington Ontario and Monterrey

Surahammars Bruks AB has decided to abstain from the consolidation of the parent company and its subsidiaries in accordance with the Annual Accounts Act 7:2 The units are included in the consolidated financial statements for Tata Steel Europe Ltd. Unless otherwise stated, the following text refers to the parent company Surahammars Bruks AB.

Note 12
Prepayments and accrued income

	31.03.2015	31.03.2014
Prepaid costs	910	5,103
A-conto invoices Telge Energi	1,175	2,464
Prepayments insurance premiums	1,062	1,483
Accrued interest income	9	-
Other accrued income	870	564
Total	3,828	**9,603**

Note 13				
Equity capital				
	Share capital	Reserves -	Free Reserves	Total
Opening balance 2013-04-01 according to the adopted	60,000	14,900	62,848	137,748
Effect at transition to K3:				-
Profit for the year			-49,520	-49,520
Closing balance 20 144) 3-31 according to adopted	**60,000**	**14,900**	**13,328**	**88,228**
The number of shares (of par value of SEK 100) in the parent company amounts to 600,000.				
Opening balance 2014-01-01 according to the adopted	60,000	14,900	13,328	88,228
Effect at transition to K3:				-
Profit for the year			-43,260	-43,260
Closing balance 20 144) 3-31 according to adopted	60,000	14,900	-29,932	44,968

The number of shares (of par value of SEK 100) in the parent company amounts to 600,000 units.

Transition to K3

Surahammars Bruks AB has previously applied the Annual Accounts Act and statements and general advice from the Accounting Board of major companies. Starting with 1st of April 2013, the annual and consolidated accounts were established in accordance BFNAR 2012: 1 Annual report and consolidated financial statements ("K3").

The transfer date to K3has been determined to be 1st of January 2013, The transfer to K# is revised in acc. with chapter 35 First time this general advice must be used. The main rule in K3, chapter 35 requires the company to use the general advice retrospectively, at the time of establishing the opening balance. However, there are some mandatory and optional exemptions from retrospective application.

Note 15
Provision for pensions and similar commitments

	31.03.2015	31.03.2014
FPG/PRI-pensions	24,598	27,350
Total	24,598	27,350

Allocated capital insured through the PRI (The insurance company PRI, mutual)

Note 16
Other provisions

	31.03.2015	31.03.2014
Costs for coverage of the landfill by hydroxide	**1,237**	**1,237**
Reorganisation, salary during leave	**493**	**3,030**
Pension commitments, early retirement programs	**0**	**2,978**
Total	**1,730**	**7,245**

The work to cover the company's old landfill for hydroxide sludge is in progress and will be finished at the end of 2016.

Note 17

Accrued expenses and deferred income

	31.03.2015	31.03.2014
Accrued wages	**7,317**	7,566
Accrued welfare charges	**3,580**	4,101
Accrued property tax, payroll tax and deferred taxes	**7,189**	4,373
Accrued provision	935	2,420
Accrued expenses	**2,245**	3,082
Other	**23**	**23**
Total	**21,289**	**21,565**

Note 18
Pledged assets and contingent liabilities

	31.03.2015	31.03.2014
Capital Insurance SPP, as collateral pension commitments	**598**	**2,463**
Contingent liabilities in relation to FPG	**505**	**546**

Note 19

Other not equity related items, cash-flow analysis	**2013-03-31**	2012-03-31
Interest part of the pension debt	**-1,153 321**	-1,548
Changes in provisions	**-8,187**	-9,920
Total	**-9,340**	**-11,468**

NOTES

Note 21
Definitions

Adjusted equity
Recognized equity increased with 100% (73.7%) on the untaxed provisions.

Invested capital
Total assets decreased by non-interest-bearing debt and operating debt and with 22% (26.3%) of untaxed provisions.

Contributions from invested capital
Profit after depreciation increased with financial revenues in relation the average invested capital.

Gross profit level
Total gross profit in relation to net turnover.

Operating margin
Operating profit in relation to net turnover.

Profit margin
Profit after depreciation plus financial income in relation to the net sales.

Capital turnover rate
Net turnover in relation to average invested capital.

Contributions from adjusted equity
Result after financial income and costs decreased by 22% (22%) standard tax in relation to average adjusted equity.

Solidity
Adjusted equity in relation to balance sheet total.

Cash flow
Cash flow from operating activity, investment and financing activities.

Operating cash flow
Cash flow from the operating activity excl. the related incoming interest, taxes, dividends and cash flow attributable to the production resources.

Signatures

The income statement and balance sheet will be presented at the Annual Meeting on the 30th of June 2015 for adoption.

Surahammar, 30th of June 2015

[Illegible signature]
Phil Clemanta

[Illegible signature]
Jo Regan

Mark Cichuta
Managing Director

Sonny Bergfeldt
Employee Representative

Anna Lindgren
Employee Representative

Our audit report was revised on ______________________.
Deloitte AB

Harald Jagner
Authorized auditor

COGENT
SURAHAMMARS BRUKS AB
Corporate ID number 556050-1206. The company is a public company.
ANNUAL REPORT 2014/15
April 1 - March 31

The undersigned board member in Surahammars Bruks AB certifies and that this copy of the annual report is consistent with the original, and that the income statement and balance sheet have been determined at the AGM on 30th of June. The AGM approved the Board's proposal for how the accumulated profit will be distributed.

Surahammar on 30th of June 2015

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.