

**Financial report for the period from 1st April 2015
to 31st March 2016**

Service Centre Maastricht B.V.

Maastricht

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Annual report from the board of directors

Service Centre Maastricht BV . (SCM BV) is part of the Indian steel company Tata Steel, Tata Steel Europe consists of the trading and processing activities of Feijen en Multisteel. Feyen is part of the division Heavy Gauge Europe and Multisteel Light Gauge Europe.

Compared to last year, the demand for steel products of SCM BV in 2015-16 increased slightly despite the difficult market situation. The expectation for the coming financial year 2016-17 is moderately positive, especially for the coming months.

In 2015-16 Service Centre Maastricht BV a net income after-tax achieved of € -2.7 million which is an improvement compared to the disappointing year 2014-15 (€ - 3.8 million)... The loss is charged to equity.

The past financial year, Service Centre Maastricht BV distributed to British Steel International Netherlands BV (BSNI), based in IJmuiden, no dividend.

Profit and Loss Account

	Year 2015-16		Year 2014-15		Delta Mln. €
	Mln. €	%	Mln. €	%	
Sum of company income	218,17	100,0	227,90	100,0	-9,73
Cost of raw materials and consumables	-187,84	-86,1	-200,56	-88,0	12,72
Cost of outsourced work and other external costs	-10,96	-5,0	-11,33	-5,0	0,37
Gross margin	19,37	8,9	16,01	7,0	3,36
Other operating expenses	- 21,54	-9,9	- 19,71	-8,6	-1,83
Operating result	-2,17	-1,0	-3,70	-1,6	1,53
Financial income and expenses	-1,44	-0,7	-1,36	-0,6	-0,08
Result from normal business activities after taxes	-3,61	-1,7	-5,06	-2,2	1,45
Tax result from normal business activities	0,82	0,4	1,27	0,6	0,45
Result from normal business activities after taxes	-2,79	-1,3	-3,79	-1,6	1,00

The turnover is € 10 million. fell to € 218.2 million. because of the fall in sales. The volume sold in 2015-16 was positively influenced by the growth in sales at Feijen. The sales thus increased by 4% to 545 kT in 2015-16. The prices fell by 6% to an average of € 404 / tonne.

The operating expenses by approximately 10% to € 21.5 million. The number of FTEs per 31.03.16 is 187 (31.march 2015). 177). The average number of hired FTEs in 2015-16 is 30.2 (average in 2014/-15: 27,4).

With respect to the credit facility is a maximum credit agreement that consists of several loans with different maturities, credit where recordings are granted for a maximum period of one year. In 2015-16m the facility by 2014-15 remained unchanged. It is not expected to alter the need for credit facilities for the coming year.

The negative income of recent years has reduced the other reserves. Partly because solvency is approximately 1%. To ensure continuity, the lender BSNl issued a Letter of Comfort. In this Letter of Comfort is the continuity of Service Centre Maastricht BV under normal circumstances guaranteed until after the preparation of financial statements for the year 2016-17.

Prospects

The economic outlook will improve over last year. The marketing and especially the prices will rise in the coming months, although the longer-term prospects remain uncertain. BU Feijen provides a selective growth in sales to 400 kT in particular "differentiated products." If emerging markets have been designated the Scandinavian countries, Germany and France. Service Centre Maastricht BV expects all a growth in sales of around 8%. Given the good start in the first quarter, we expect viewed over the entire year, this growth will be realized.

The organization has further improved in the past year, through the strengthening of a market-oriented organization. Supply Chain is also further improved so there is a good basis for further growth, improving efficiency, lowering costs, and ultimately increase customer satisfaction. This will have a positive impact on operating results.

For next year there are no major planned strategic investments, however, investment in safety (fire safety Feijen) and IT.

Regarding the research and development, strategy and marketing, we use the knowledge available at Tata Steel.

In summary, we expect for the coming year, under normal circumstances, to achieve a better result than in 2015-16 and to selectively grow in profitable markets.

Personnel matters

Health and safety remain primary issues in our company. Safety efforts will aim to promote safety awareness.

Tata Steel Europe focuses itself on the following five areas:

- No fatal accidents.
- Less personal injury.
- Reduction of absenteeism and health risks.
- Increased process safety.
- Management system of labor and health and safety.

Tata Steel is constantly working to improve its organization. In order to respond better to cost benefits and economies of scale, Tata Steel Europe has decided to centralize some of the financial activities at the Accounting and Transactions Center of Excellence (ATCE) in Port Talbot and IJmuiden. The transfer was completed in late 2015.

Potential risks

1. Security Risk for staff - is primarily of interest in the company, Each month there developed new initiatives implemented by all companies within the Tata Steel Europe.
2. Market orientation - lack of customer focus / service orientation. Our employees are constantly trained in this.
3. Strategic risk - competitive vs. long-term demand. Various studies have been conducted in recent years and there are various activities planned to reduce this risk.
4. Risk of new acquisitions - continue to examine for potential acquisitions and greenfield opportunities.
5. Risk of vendor lock - in spite of the current economic situation will continue exploratory research into "new" suppliers in the steel market.
6. IT / ERP risk - construction / implementation of new (standard) systems has continued unabated in recent years. We hope to implement a new ERP with important packages within the foreseeable future in a part of our organization.
7. Liquidity and cash flow risks - liquidity and cash flow risks are managed by the planning and control cycle. See also the notes to the balance sheet and profit and loss account Section 13.
8. . Price and credit risks - monitoring and contacts with the insurance company are centralized in IJmuiden / UK.
9. Continuity - British Steel International B.V. has issued a Letter of Comfort so that business continuity is ensured under normal conditions.

Financial instruments

Service Centre Maastricht BV does not use financial instruments (eg. to reduce certain risks).

The management of Service Centre Maastricht BV consists of one person, which is not met, the balance of women and men referred to in Articles 166 and 276 of Book 2. The board may reflect single Service Centre Maastricht BV , by definition, do not meet the desired balance.

Maastricht, 11 June 2016

The Board of Directors,

B. Schoonbeek

Service Centre Maastricht B.V.

**Balance per 31 March 2016
(before profit appropriation)**

		31 st March 2016		31 st March 2015	
	Ref.	€ 1.000	€ 1.000	€ 1.000	€ 1.000
Assets					
Material fixed assets					
	4				
Land and buildings		3.492		3.834	
Machinery and equipment		3.569		4.716	
Other fixed assets		1.074		1	
Tangible fixed assets in progress and prepayments for tangible assets		4		0	
Total tangible fixed assets			8.139		8.551
Financial fixed assets					
	5				
Deferred tax assets		953		822	
Total financial assets			953		822
Inventory					
	6				
Raw materials and consumables		14.753		16.597	
Finished goods and merchandise		9.192		11.034	
Total inventories			23.945		27.631
Claims and prepayments					
Trade receivables		24.632		26.788	
Receivables from group companies		4.010		9.635	
Other claims and prepayments		4.134		2.288	
Total of claims and prepayments			32.776		38.711
Cash					
	8		4.856		119
Total assets			70.669		75.834

**Balance per 31 March 2016
(before profit appropriation)**

		31 st March 2016		31 st March 2015	
	Ref.	€ 1.000	€ 1.000	€ 1.000	€ 1.000
Liabilities					
Equity					
	9				
Placed share capital		54		54	
Share premium		2.264		2.264	
Revaluation reserve		681		681	
Other reserves		253		4.047	
Result book year		-2.786		-3.794	
Total of the equity			466		3.252
Facilities					
	10				
Deferred tax liability		214		307	
Total provisions			214		307
Long-term debt					
	11				
Loans from group companies		34.000		34.250	
Financial lease obligations		44		0	
Total long-term liabilities			34.044		34.250
Short-term debt					
Debts to suppliers and trade credits		4.517		1.432	
Liabilities to group companies		25.699		29.861	
Sales tax		951		1.321	
Tax and social security contributions		309		255	
Other debts and accruals					
	12				
Total current liabilities		4.469		5.156	
			35.945		38.025
Total liabilities			70.669		75.834

Profit and Loss Account for 2015-16

		2015-16		2014-15	
	Ref.	€ 1.000	€ 1.000	€ 1.000	€ 1.000
Net turnover	14	220.013		225.801	
Changes in inventory of finished product		-1.842		2.103	
Sum of company income			218.171		227.904
Cost of raw materials and consumables		-187.835		-200.565	
Cost of outsourced work and other external costs		-10.962		-11.332	
Wages, salaries and social costs	15	-10.587		-9.539	
Depreciations	16	-1.593		-1.452	
Other operating costs	17	-9.366		-8.714	
			220.343		231.602
Operating result			-2.172		-3.698
Interest income		0		0	
Interest expense		-1.442		-1.362	
Total financial income and expenses	18		-1.442		-1.362
Result from normal business activities after taxes			-3.614		-5.060
Tax result from normal business activities	20		828		1.266
Result from normal business activities after taxes			-2.786		-3.794

Cash flow overview over 2015-16

	2015-16		2014-15	
	€ 1.000	€ 1.000	€ 1.000	€ 1.000
Cash flow from operating activities				
Net operating income		-2.172		-3.698
<i>Adjustments for:</i>				
Depreciation on immaterial and material fixed assets	1.601		1.469	
Change in provisions	0		0	
		1.601		1.469
<i>Change in working capital:</i>				
Inventory	3.686		641	
Claims	3.944		-882	
Short-term debt	-962		-2.153	
		6.668		-2.394
Cash flow from operating incomes		6.097		-4.623
Received corporate tax	1.992		0	
Interest paid	0		0	
Interest received	0		0	
		1.992		0
Cash flow from operating activities		8.089		-4.623

	2015-16		2014-15	
	€ 1.000	€ 1.000	€ 1.000	€ 1.000
Cash flow from investing activities				
Investments in tangible fixed asset	-1.189		-2.090	
Disposals of tangible fixed assets	0		0	
Cash flow from investing activities		-1.189		-2.090
Cash flow from financing activities				
Decrease in long-term bank debt	-250		6.000	
Interest paid	-1.913		-1.245	
Dividend Payment	0		0	
Cash flow from financing activities		-2.163		4.755
Nett cash flow		4.737		-1.958
Increase (decrease) of funds		4.737		-1.958

The transactions of funds is as follows:

	2015-16	2014-15
	€ 1.000	€ 1.000
Balance at March 31, 2015 c.q. 2014	119	2.077
Movement in fiscal year	4.737	-1.958
Balance at 31.03.16 c.q. 2015	4.856	119

Explanation to balance sheet and the profit and loss account

1 General explanation

1.1 *Activities*

Service Centre Maastricht BV is registered and in fact it is located on the Fregatweg 42, 6222 NZ Maastricht.

The activities of Service Centre Maastricht BV consist of:

- Operating a metal industry annex engineering and trade in metal products, with all that belongs to the foregoing or to this end, all in the broadest sense.

Sales take place both nationally as well as internationally, where the countries of the European Union form the most important market.

1.2 *Group relationships*

Service Centre Maastricht B.V. is part of Tata Steel Europe (United Kingdom). Together with Tata Steel Limited (India), Tata Steel Thailand and NatSteel (South-East Asia), Tata Steel Europe is part of the Tata Steel Group. The financial data of Service Centre Maastricht B.V. are consolidated in the consolidated financial statement of Tata Steel Europe LTD. The share capital is owned by British Steel Netherlands International BV, based in IJmuiden.

1.3 *Explanation to the cash flow overview*

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist of cash. Cash flows in foreign currencies are translated at average exchange rates. Exchange rate differences on cash items are shown separately in the cash flow statement. Income taxes, interest and dividends received are included in cash flows from operating activities. Interest paid and dividends paid are included in cash flows from the financing activities. Transactions involving no exchange of funds, including finance leases, are not included in the cash flow statement.

1.4 *Assumptions*

In order to apply the principles and rules regarding the preparation of the annual report, it is required that the Board of Directors of Service Centre Maastricht B.V. make a judgement concerning various issues and that the Board of Directors makes some assumptions which can be essential for the amounts taken up in the annual report. If it is necessary for providing insight as given in art. 2:362 Book 1 Civil Law, then the nature of these assumptions and judgements, including the corresponding assumptions have been taken up in the explanation on the concerned annual report entries.

1.5 *Continuity*

The results of Service Centre B.V. Maastricht are from 2011-12 to 2015-16 negative. Despite a negative stand-alone results, generating activities Service Centre Maastricht BV, as downstream business of Tata Steel Europe, a positive contribution to the group result. With this the continuity of Service Centre Maastricht B.V. is of importance for the group, which is confirmed by a declaration of the shareholder. In this declaration it is indicated that the shareholder will provide sufficient means so that Service Centre Maastricht B.V. can continue its activities under normal business

circumstances, for a period till the date on which the annual report 2016/-17 will be prepared by the shareholder. The annual report 2015/-16 is thus prepared as per the continuity principle.

2. Principles of valuation of assets and liabilities

2.1 General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Civil Code and the firm pronouncements in the Guidelines for Annual Reporting, issued by the Council for Annual Reporting. The financial statements have been prepared in euros.

The valuation of assets and liabilities and the determination of the result take place on basis of historical cost, unless mentioned otherwise.

Assets and liabilities are allocated to the year to which they relate. Profits are only taken up insofar as they have been realized on the balance sheet date. Obligations and possible losses originating from before the end of the book year, are taken into account if they have become known before preparing the financial statements.

2.2 Comparison with previous years

The applied principles of valuation and determination of results are unchanged from the previous year.

2.3 Foreign currencies

Operating currency

The items included in the financial statements of Service Centre Maastricht BV are measured using the currency of the economic environment in which Service Centre Maastricht BV primarily conducts its business activities, the euro.

Transactions, receivables and payables

Receivables, payables and liabilities in foreign currencies are converted at the closing rate. Transactions in foreign currencies during the reporting period are processed in the annual report against the rate that applied on the date of the transaction. The exchange differences arising from the conversion at the balance sheet date are recognized in the profit and loss account.

2.4 Financial instruments

Financial instruments include primary financial instruments (such as receivables and payables) and derivative financial instruments (derivatives). The Company does not use financial derivatives.

Primary financial instruments

For the principles of the primary financial instruments refer to the balance sheet item of the "Principles for the valuation of assets and liabilities.

2.5 Material fixed assets

The land and buildings are evaluated at cost, minus the cumulative depreciation and if applicable with the special value depreciation. The depreciation is based on the expected future useful life and are calculated based on a fixed percentage of the purchase price, taking into account any residual value. Depreciation takes place from the moment of deployment. Grounds are not depreciated.

The other fixed assets (including machinery and equipment) are valued at acquisition or production cost, including directly attributable costs, less accumulated depreciation and, if applicable, impairment losses. The depreciation is based on the expected future useful life and are calculated based on a fixed percentage of the purchase price, taking into account any residual value. The manufacturing cost comprises the purchase price and costs directly attributable to the manufacturing process, including installation costs.

Property, plant and equipment in progress are valued at acquisition price and if applicable reduced by impairment losses. Tangible fixed assets under construction are not depreciated, first at the time of commissioning (and transfer to the appropriate asset class) captures the depreciation at.

Costs for scheduled major maintenance are charged to the income statement when they arise.

2.6 *Financial fixed assets*

The financial fixed assets, deferred tax assets if and insofar as the probability that realization of the tax claim will be made in due course. These deferred tax assets are valued at nominal value (25%) and generally have a long-term nature and aimed in principle latencies compared to the mother of the fiscal unity.

2.7 *Inventory*

Raw materials and consumables are valued at cost or net realizable value. The valuation of the raw materials and consumables is established on the basis of FIFO. This lower net realizable value is determined by individual assessment of stocks.

Stocks of semi-finished and finished goods are stated at the lower of cost and net realizable value. Production costs include all costs associated with the acquisition or manufacture, as well as costs incurred to bring inventories. Their present location and in their current state In the manufacturing cost includes direct labor and supplements for the production-related indirect fixed and variable costs, including the cost of the business office, maintenance department and internal logistics. Interest paid on debt is not part of inventory valuation. This lower net realizable value is determined by individual assessment of stocks.

2.8 *Claims*

The claims are, with the first processing, taken up against the real value and subsequently against the amortized cost price. The real value and the amortized cost price are equal to the nominal value. Necessary provisions for possible losses from bad debts are deducted. These provisions are determined on basis of individual evaluation of the claims.

2.9 *Cash*

Cash consists of cash, bank balance and deposits with a duration less than twelve months and are measured at nominal value. If resources are not freely available, it is taken into account in the valuation.

2.10 *Facilities*

Deferred tax liabilities

Provision for deferred tax liabilities for tax payable amounts arising from differences between commercial and tax balance sheet valuations in the future, a provision equal to the sum of these differences multiplied by the applicable tax rate. These are deducted from the tax amounts to be offset in the future by virtue of available tax losses, to the extent that it is probable that future taxable profits will be available for settlement. Available at this facility It is in principle latencies compared to the mother of the fiscal unity. The provisions for deferred tax liabilities are evaluated at the nominal value.

2.11 *Long term and short term debts*

The claims are, with the first processing, taken up against the real value and subsequently against the amortized cost price.

2.12 *Investment grants*

The grants related to the acquisition of (tangible) assets are deferred under the deferred liabilities. These grants are time-line basis over the estimated useful lives of these assets for the benefit of the income statement.

3. Principles for determination of the result

3.1 *General*

The result is determined as the difference between the income value of the given performance and the costs and other charges over the year. The results of transactions are accounted in the year in which they are realized; losses once they are foreseeable.

3.2 *Net turnover*

Net turnover represents the proceeds of the goods delivered in the year, and services provided net of discounts and sales taxes levied.

Proceeds from the sale of goods are recognized when all the significant economic benefits as well as all significant risks have passed to the buyer. The cost of these goods is allocated to the same period.

3.3 *Employee benefits*

Periodically payable benefits

Wages, salaries and social security are processed, on basis of the employment conditions, into the profit and loss account insofar they are owed to the employees.

Pensions

Service Centre Maastricht BV a pension plan that is funded by contributions to the industry pension fund Stichting Pension funds Company for the Metal and Engineering. Participation in the pension fund industry is mandatory in the collective agreement including Service Centre Maastricht BV falls.

The structure of the pension is getting funded in the calendar by (at least) cost-effective premium payments. The plan is an average salary scheme - for both active and inactive participants (deferred members and pensioners) - conditional indexation. The indexation depends on the investment return.

Service Centre Maastricht BV has a broken financial year, so you're dealing with two different pension schemes which apply to each calendar year.

The annual accrual of pension amounts with effect from January 1, 2015, to 1.875% of pensionable salary which is based on gross income minus a franchise (ad € 15,304). The pensionable salary is capped at € 70,000. The annual premium is 24.0% of pensionable salary to which 53.7% of pensionable salary borne by the employer. The pensionable salary exceeds the maximum amount, then the annual building from the maximum amount 1.55%. The annual premium on the excess amounts to 19.2%. The amount of the premium is set annually by the board of the pension fund industry based on the coverage and expected returns.

The annual accrual of pension amounts with effect from 01.01.16, to 1.875% of pensionable salary which is based on gross income minus a franchise (ad € 15,104). The pensionable salary is capped at € 70,416. The annual premium is 23.5% of pensionable salary to which 53.7% of pensionable salary borne by the employer. The pensionable salary exceeds the maximum amount, then the annual building from the maximum amount 1.52%. The annual premium on the excess is based on a survey which is based on the age. The maximum premium is 27,0% if you are 60 or older. The amount of the premium is set annually by the board of the pension fund industry based on the coverage and expected returns.

The coverage ratio of the pension fund industry as at end March 2016 91.8% (as of April 2016 is 91.8%) coverage.

The pension obligations are valued by using the "commitment to the pension provider approach". In this approach, the premium payable to the pension as an expense in the profit and loss account.

On the basis of the administration cost, it is whether, and if so what obligations in addition to the payment of the annual premium due to the pension provider exist at the balance sheet date. These additional obligations, including any obligations from recovery plans of the pension administrator, lead to charges for the company, and in the balance sheet in a provision. The valuation of the liability is the best estimate of the amounts necessary to settle. This is balance sheet date. If the effect of the time value of money is material, the liability is measured at present value. Discounting is based on interest rates on high quality corporate bonds. Additions to and releases from the obligations shall be debited or credited to the profit and loss account.

Pension asset recognized in the balance sheet when the Company has control over the pension asset when it is probable that the future economic benefits that the pension claim embodied in will flow to the company and when the pension receivable can be measured reliably.

End of March 2016 (and 2015) there were no obligations to the company in addition to the payment of the annual premium due to the pension provider.

3.4 *Taxes*

The corporate tax is calculated against the prevailing tariff over the result of the book year, taking into account the permanent differences between profit and loss accounts and the fiscal profit calculations where active deferred tax credits (if applicable) are only valued insofar the realization of those is probable.

Explanation to the balance sheet

4. Material fixed assets

The movements in tangible fixed assets were as follows:

	Land and buildings	Machinery and equipment	Other fixed assets	Fixed assets under constructio n:	Total
	€ 1.000	€ 1.000	€ 1.000	€ 1.000	€ 1.000
Situation on 31 March 2014					
Acquisition or manufacturing prices	20.481	31.437	1.622	1.019	54.559
Cumulative depreciations	-16.647	-26.721	-1.621	-1.019	-46.008
Book values	3.834	4.716	1	0	8.551
Mutations					
Transfers from MVA in progress	0	0	1.097	-1.097	0
Investments	0	88	0	1.101	1.189
Disposals	0	0	-74	0	-74
Depreciations	-342	-1.235	-24	0	-1.601
Depreciation disposals	0	0	74	0	74
Balance	-342	-1.147	1.073	4	-412
Situation per 31 March 2016					
Acquisition or manufacturing prices	20.481	31.525	2.645	1.023	55.674
Cumulative depreciations	-16.989	-27.956	-1.571	-1.019	-47.535
Book values	3.492	3.569	1.074	4	8.139

The depreciation rates are as follows:

- Land and buildings 0% - 33,3%
- Machinery and equipment 10% - 20%
- Other fixed assets 10% - 20%
- Fixed assets under construction: 0%

The carrying amounts of finance leases included in tangible fixed assets are as follows:

Financial lease	31-03-2016	31-03-2015
	€	€
Machinery and equipment	0	0
Other fixed assets (network hardware)	44	0
	<u>44</u>	<u>0</u>

5. Financial fixed assets

The course of the financial assets can be represented as follows:

Deferred tax assets	31-03-2016	31-03-2015
	€ 1.000	€ 1.000
Initial position	822	646
Addition (+)	131	176
Closing	<u>953</u>	<u>822</u>

It is expected that a sum of that amount on the balance sheet date of € 0 is achieved within one year.

6. Inventory

As on March 31, 2016 (and in March 2015), inventories are evaluated at acquisition or production cost and, if applicable to the net realizable value. There are no inventories are used as security for loan capital provided. On stocks is a provision for obsolescence of € 190,421 (March 2015: € 189,924) was deducted. The cost of inventories is recognized as an expense during the year in the income statement amounts to € 190 million (2014-15: € 194 million).

7. Other claims and prepayments

All receivables have a remaining maturity of less than one year.

The accounts receivable is a provision of € 33,800 (2014-2015: € 33,800) was deducted.
Other receivables and prepayments can be specified as follows:

	31-03-2016	31-03-2015
	€ 1.000	€ 1.000
Security Deposits	1	1
Receivable bonuses / credit memos	63	55
Pre payments	240	145
To receive goods yet	989	1.805
Other receivables	2.841	282
	4.134	2.288

8. Cash

The cash is at the free disposal of the company.

9. Equity

The share capital of the Company as at 31.03.15 and by 31.03.16 € 270 000 divided into 600 ordinary shares of € 450.

The issued and paid up share capital big € 54,000 consisting of 120 ordinary shares, all of € 450 nominal.

Movements in equity can be represented as follows:

	Placed share capital	Premium reserve	Revaluation reserve	Other reserves	Result book year	Total
	€ 1.000	€ 1.000	€ 1.000	€ 1.000	€ 1.000	€ 1.000
Situation on 31 March 2014	54	2.264	681	4.047	-3.794	3.252
Profit of the last year	0	0	0	-3.794	3.794	0
Dividend payment	0	0	0	0	0	0
Result book year	0	0	0	0	-2.786	-2.786
Total mutations	0	0	0	-3.794	1.008	-2.786
Situation per 31 March 2016	54	2.264	681	253	-2.786	466

The revaluation reserve relates to a revaluation implemented in the past relating to land. There has been no change in the revaluation reserve place since there is not depreciated.

All shares in Service Centre Maastricht BV are held by British Steel International BV Netherlands

The shareholder has to management Service Centre Maastricht BV confirmed that it will provide to Service Centre Maastricht BV any means necessary to enable it to continue its operations. during normal operation continues This, at least for the period up to the date the financial statements 2016/-17 will be determined by the shareholder.

10. Facilities

The course of the provisions can be analyzed as follows:

Deferred tax liability	31-03-2016	31-03-2015
	€ 1.000	€ 1.000
Initial position	307	616
Addition (+)	0	0
Withdrawal (-)	-93	-309
Closing	214	307

The provision for deferred tax liability is predominantly long-term nature.

11. Long-term debt

Loans from group of companies:

The Company has a credit facility with two group companies agreed which provides for a total maximum credit of € 34.25 million for the company (British Steel International BV Netherlands for € 20 million and Tata Steel Netherlands BV for € 14 million). They are different loans with different maturities, credit where recordings are granted for a maximum period of one year. To strengthen the capital base subordinated loans already granted last year by the **direct shareholder BSNI**. This currently amounts to € 6 million. related to the credit facilities are no ability tests.

Referring to the intentions of the group, the continuous extensions of the loans and the Letter of Comfort for BSNI these loans considered non-current.

The interest rate is determined on the date of borrowing and is based on the Euribor of the corresponding period increased by a surcharge (Ranging from 1% - 4.5% per loan). There are no warranties or guarantees provided.

12. Other debts and accruals

The current liabilities all have a residual maturity of less than one year with the exception of pensions (€ 2,990 has a term of between one and five years).

Other payables and accrued liabilities can be analyzed as follows:

31-03-2016 31-03-2015

Tata Steel IJmuiden B.V.	1/4/15 - 31/3/16
Esmil B.V.	1/4/15 - 31/3/16
Namascor B.V. (Liquidated)	1/4/15 - 29/3/16
Huizenbezit Breesaap B.V.	1/4/15 - 31/3/16
Tata Steel Logistics and Shipping B.V. (Legal merger)	1/4/15 - 31/3/16
Tata Steel Nederland Technology B.V.	1/4/15 - 31/3/16
Tata Steel Europe Distribution B.V.	1/4/15 - 31/3/16
Tata Steel Nederland Services B.V.	1/4/15 - 31/3/16
Hoogovens Finance B.V.	1/4/15 - 31/3/16
Tata Steel Nederland Consulting & Technical Services B.V.	1/4/15 - 31/3/16
Staalverwerking en Handel B.V.	1/4/15 - 31/3/16
Tata Steel Nederland Tubes B.V.	1/4/15 - 31/3/16
SAB Profiel B.V.	1/4/15 - 31/3/16
Tata Steel Nederland Star-Frame B.V.	1/4/15 - 31/3/16
Corus Primary Aluminium B.V.	1/4/15 - 31/3/16
Tata Steel Europe Metals Trading B.V.	1/4/15 - 31/3/16
Beheermij Industriële Producten B.V.	1/4/15 - 31/3/16
Demka B.V.	1/4/15 - 31/3/16
Belfin Beheermaatschappij B.V. (Liquidated)	1/4/15 - 25/1/16

Financial instruments

For an explanation of primary financial instruments refer to the specific items of notes. After this policy Service Centre Maastricht BV included in respect of the financial risks.

- Currency

The currency risks arising from sales and purchases are negligible and therefore no further hedged.

- Interest risk

Since the financing fixed interest rate percentages are m.b.t. agreed, no fluctuations expected that any interest rate risk may entail. Therefore, no financial instruments are deemed necessary.

- Liquidity risk and cash flow risk

Periodically prepared cash flow statements. By interim monitoring and possible adjustments to liquidity risk and cash flow risks controlled.

- Credit risk

Service Centre Maastricht BV limited credit risk through the use of insured credit limits. If a debtor has no credit, it is our policy that we do business on a prepayment basis.

Explanation to the profit and loss account

14. Net turnover

	2015-16	2014-15
	€ 1.000	€ 1.000
Netherlands	69.481	68.877
Other countries EU	148.343	154.080
Other countries EU	1.661	2.016
Other	528	828
	<u>220.013</u>	<u>225.801</u>

Net revenue is entirely derived from trading activities.

	2015-16	2014-15
	€ 1.000	€ 1.000
own equipment	213.570	220.167
Contract work	6.443	5.634
	<u>220.013</u>	<u>225.801</u>

15. Wages, salaries and social costs

Wages, salaries and social charges consist of the following components:

	2015-16	2014-15
	€ 1.000	€ 1.000
Wages and salaries	8.452	7.486
Social security costs	1.259	1.206
Pension cost	876	847
	<u>10.587</u>	<u>9.539</u>

Among the wages and salaries of € 7,908,484 processed to pay for the payroll tax.

16. Depreciations

The depreciation rates are as follows:

	2015-16	2014-15
	€ 1.000	€ 1.000
Material fixed assets	1.601	1.469
release of IPR	-8	-17
	<u>1.593</u>	<u>1.452</u>

17. Other operating costs

Lease payments:

During the financial year, an expense of € 165,964 (2014-15: € 172,461) in respect of lease payments recognized in the income statement.

Auditor's fees

The mention of the audit fees organization is omitted in accordance with Article 382a paragraph 3 of Part 9 of Book 2.

18. Financial income and expenses

Financial income and expenses consist of the following components:

	<u>2015-16</u>	<u>2014-15</u>
	<u>€ 1.000</u>	<u>€ 1.000</u>
Interest income	1	2
Interest expense Tata companies	1.441	1.360
	<u>1.442</u>	<u>1.362</u>

19. Average number of employees

During the year 2015-16 an average of 187 workers were employed (2014-15: 177). Split by business unit is this (2014-15,103) for 113 Feijen and MultiSteel 74 (2014-15: 74). The distribution color white / blue color is 73/104. There are no employees working abroad. In addition, there are employees seconded to Service Centre Maastricht BV and if there is use of temporary workers needed. The average number of employees according to the headcount at year end 2015-16: 191 (2014-15:181).

20. Taxes

Tax on the profit on ordinary activities amounting to € -828,385 can be explained as follows:

	<u>2015-16</u>	<u>2014-15</u>
	<u>€ 1.000</u>	<u>€ 1.000</u>
Result from normal business activities after taxes	-3.614	-5.060
Tax result from normal business activities	-828	-1.266
Effective tax rate	22,9%	25,0%
Applicable tax rate	25,0%	25,0%

The deviation of the effective rate compared to the applicable rate is caused by adjustments in the tax burden over previous years. The effective tax rate can be analyzed as follows:

	2015-16	
	%	€ 1.000
Result from normal business activities after taxes		-3.614
Tax charge on the basis of Dutch tax rate	18,8	-679
Effect mutation deferred tax asset	3,6	-131
Effect mutation deferred tax liability	2,6	-93
	25,0	-903
Effect of prior-year tax loss from previous years	2,1	75
Tax result from normal business activities	22,9	-828

21. Transactions with linked parties

	2015-16	2014-15
	€ 1.000	€ 1.000
Sales to related parties	18.419	29.593
Purchases from related parties	-174.777	-186.685
Others (management fee, hiring services, interest loan, etc.)	-6.237	-6.532

22. Salaries management

Since the remuneration is traceable to one person, the remuneration of the directors are not recognized in accordance with BW2 Title 9, Article 383. Any expenses relating to the so-called crisis levy herein is not understood because of the remuneration of directors no crisis levy is.

Maastricht, 11 June 2016

The Board of Directors,

B. Schoonbeek

Service Centre Maastricht B.V.

Other data

Auditors report of the independent auditor

For this we refer to the statement entered below.

Statutory Profit appropriation

In Article 16 of the Articles of Association, the following is recorded on the statutory regulation of result:

- 1) The result, as shown in the adopted annual accounts at the disposal of the General Meeting, provided that this result is only for distribution is subject to the extent that, according to accounts established equity exceeds bet paid and called the capital plus the reserves that must be maintained. law or the articles of association
- 2) held by the company's own shares is not paid to the company's results.
- 3) Paid by the prescribed by law reserves a shortage may only be redeemed to the extent permitted by law.

Income 2014-15

The entire profit for 2014-15 ad € -3,794,260 is after approval of the General Assembly in accordance with the proposal of the Executive deducted from other reserves.

Proposed profit appropriation 2015-16

Pending the adoption of the financial statements by the General Assembly, the loss after tax for 2015-16 ad € -2,785,547 as a result of the year included in equity.

Events later then the balance sheet date

Meanwhile, it was decided amount and maturity of the subordinated loan by adjusting **direct shareholder BSNI** to € 10 million. This increase comes at the expense of the regular loan.

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.