

Financial report 2014 / 2015

S.A.B. Profiel B.V.

Usselstein, 4 July 2015

Annual report from the board of directors

General

The activities of S.A.B. Profiel BV (hereafter SAB), registered office at Produktieweg 2-3a, IJsselstein, are the production, handling and processing and trading of steel. SAB and its subsidiaries are active in different countries.

Of these, the Netherlands and Germany the most important.

The company is part of a group, Tata Steel Limited, based in Mumbai (India), at the head of the state. The shares are held by SAB Steel Processing and Trading BV (direct subsidiary of Tata Steel Netherlands BV). The shares of Tata Steel Netherlands BV are held by Tata Steel Netherlands Holdings BV. The financial data of the Company are included in the consolidated financial statements of Tata Steel Netherlands BV IJmuiden. The financial data of Tata Steel Netherlands BV are separately registered in the Netherlands with the Trade Register of the Chamber of Commerce in Amsterdam.

The health and safety of the staff had, as in previous years, a high priority. In accordance with the health and safety of Tata are constantly being developed and performance improvement programs in this area have been further improved. There have been no accident absenteeism within our company. 2015/2016 In

The attention of the management focused on the responsibilities they have towards the company, shareholders, staff and other stakeholders.

Financial income

The operating income in 2015 / 2016 was EUR 161.653. This is EUR 2.6 million better than in 2014/2015, mainly by higher gross margins. Net sales decreased during this fiscal year by 5.15% to EUR 78.6 million, because lower volumes were sold in the markets served SAB.

The income after tax amounted 2015/2016 EUR 4.7 million (2014 / 2015 EUR 1.6 million).

Financial position

The equity capital and reserves increased 4.7 million during the financial year by EUR to EUR 84.6 million due to the net result 2015/2016.

There were no investments in tangible fixed assets (2014 / 2015: EUR 25 k). The solvency ratio (equity / total assets) at 31.03.16 90.0% (31 march 2015: 89,0%). SAB has also on 31 march 2016 on a positive working capital.

At the end of the reporting period, EUR The balance of cash and deposits amounted to 44.3 million (31 march 2015: 39.3 million).

Risk management

SAB is exercising its activities exposed to various business risks; the risks in the following areas of:

- Safety for workers; SAB conducts an intensive security policy, by continuous training of the staff and follow up through weekly security rounds by the management.
- Fire, damage and liability; these are covered through procedures of work safety and contingency plans. In addition, insurance in case of damage.
- Bankruptcies, SAB has a credit for virtually the entire accounts receivable portfolio. In cases where the credit no credit issues, the Board shall decide to grant a limited deductible to continue deliveries. Consent totally or partially

- Market development; SAB is in close contact with the customers to achieve opportunities and threats in the market as soon as possible to note and to act on it.
- Continuity of production; through preventive maintenance programmes is the machinery used in an optimal way.
- Quality of production; the staff is constantly trained so as to minimize the costs of the quality products. If there is any quality problem found, this in the responsible teams discussed to prevent recurrence.
- The purchase of materials; as part of Tata Steel Netherlands is SAB required to steel to buy at Tata Steel Europe. This makes SAB vulnerable to changes in the supply chain policy of Tata Steel. SAB has the option to buy externally, but only after explicit consultation with Tata Steel. A consultation structure was set up in good time to take stock of developments in the supply chain and to act accordingly.

The risk management policy is aimed at sustainable management of its business in the long term and to limit these risks.

With a weekly report on working capital, with insight into the amount and age of accounts receivable and inventories.

During monthly meetings, the Board discusses results with management's financial performance, operational and financial risks. In addition, the financial performance of the company is evaluated and compared against the approved budgets.

Strategy

During the past year SAB Management has formulated a new vision. The two main reasons for this view was the feedback from the Employee Satisfaction and leadership training of "SAB to the Top."

Together we aim to get back to be a leader in our market. SAB is a reliable supplier for all our customers. We are proud that we work at SAB, now and in the future. Our colleagues are at least as important as our customers.

The key words in this vision are:

- Colloboration
- Leading
- Reliable
- Client
- Proud
- Now and in the future
- Co-workers

Around this vision it is also a concrete strategy developed to position on the field of Sandwich Panels.

In addition a number of improvements have been made in the past year (continuous improvement) to the financial results of SAB-Profiel to improve and the company to give a solid foundation to continue to achieve healthy results. Examples of these improvements are:

- A change in the cooperation between departments making the contact with the customer.
- Improvements in the production process of sandwich panels making it a higher quality product and responds to the latest insulation requirements as the regulator sets up.

Research & Development

The improvement of the foam core of our panels is the largest development within SAB. This includes all first steps last year. In the coming year will be a verdure optimization.

The development of the fire resistant Panel (EW-30) has been delayed, because the distortion process is not yet robust. On this is SAB's profile in consultation with the supplier. Very successful is the introduction of the so-called "Carrier Panel".

Employees

SAB pays for care to a safe working environment for its employees. Unfortunately, this has not translated into the incomes. Last year there was one accident involving loss regrettable and an accident what medical care early (sutures).

Also the sick leave has increased from the very low level of 3.9% last year to 6.6% at the end of March 2016. The vast majority concerns long-term sick. Here's for a number of cases the private conditions, and in some cases a combination of private and work (the psychological symptoms).

SAB has a health policy formulated with attention to move (for example sponsorship IJssel loop, with training for staff members, participating in the Global Health Challenge), healthy eating (e.g., closure of canteen and the provision of free fruit for the employees). There is also a company physiotherapist / ergonomist appointed to recover faster and prevent the ergonomic complaints.

The new strategy allows SAB that our colleagues are just as important as our customers. It is true that there is controlled, which results in more consistent on a number of employees to an increased tension could lead.

Outlook for 2016/2017

The Outlook for the coming year are once again slightly better than the past year. The demand in our main market (Netherlands) seems better than last year.

The demand in Germany (our 2nd market) is less positive than in the Netherlands, more neutral with respect to the previous year.

In Belgium last year made a conscious choice to focus on products with higher added value, and this policy will be put through the coming year.

It is expected that the slightly improved market demand, combined with the continuous improvement of business processes SAB (foam, use packaging materials, lean for efficiency improvement projects) to improved results, will result compared to the previous year.

The coming year is deployed on an investment to strengthen its position in the sandwich panels of the market. This will eventually lead to increasing employment opportunity at SAB.

IJsselstein, July 4, 2016 On

behalf of the management:

Sd/-

W.G. Vermeulen

Balance per 31 March 2016

(before profit appropriation)

		31st March 2016		31st March 2015	
	Notes	EUR x 1.000	EUR x 1.000	EUR x 1.000	EUR x 1.000
Assets					
Fixed assets					
Material fixed assets	4	4.461		4.972	
Financial fixed assets	5	<u>25.604</u>		<u>25.589</u>	
			30.065		30.561
Current assets					
Inventory	6	8.221		8.112	
Claims and prepayments	7	55.355		50.497	
Cash	8	<u>304</u>		<u>597</u>	
			<u>63.880</u>		<u>59.206</u>
			<u>93.945</u>		<u>89.767</u>

		31st March		31st March	
Liabilities	Notes	EUR x 1.000	EUR x 1.000	EUR x 1.000	EUR x 1.000
Equity	9				
Placed share capital		135		135	
Share premium		12.232		12.232	
Other reserves		67.509		65.927	
Result book year		<u>4.684</u>		<u>1.582</u>	
			84.560		79.876
Facilities	10		1.357		1.142
Short term debt and accruals	11		8.028		8.749
			<u>93.945</u>		89.767

Profit and Loss Account 2015 / 2016

		2015/2016		2014/2015	
	Notes	EUR x1.000	EUR x 1.000	EUR x 1.000	EUR x 1.000
Net turnover	14		78.600		82.875
Changes in inventories of finished goods and work in progress			<u>(269)</u>		<u>65</u>
Sum of company income			78.331		82.940
Cost of raw materials and Cost outsourced work		(59.369)		(66.038)	
and other external costs		(3.800)		(4.913)	
Personnel costs	15	(9.339)		(9.452)	
Depreciation material fixed		(511)		(827)	
Other operating costs	16	<u>(5.150)</u>		<u>(4.190)</u>	
Total operating expenses			<u>(78.169)</u>		<u>(85.420)</u>
Operating result			162		(2.480)
Financial income and expenses	17		<u>4.446</u>		<u>3.460</u>
Result from normal business activities after taxes			4.608		980
Tax result from normal business activities	18		<u>76</u>		<u>602</u>
Income after tax			<u>4.684</u>		<u>1.582</u>

Explanation to the annual report

1 General

1.1 Activities

The activities of S.A.B. Profiel BV (hereafter SAB), registered office at Produktieweg 2-3a, IJsselstein, are the production, handling and processing and trading of steel.

1.2 Group relationships

The company is part of a group, Tata Steel Limited, based in Mumbai (India), at the head.

The shares are held by SAB Steel Processing and Trading BV (direct subsidiary of Tata Steel Netherlands BV). The shares of Tata Steel Netherlands BV are held by Tata Steel Netherlands Holdings BV. The financial data of the Company are included in the consolidated financial statements of Tata Steel Netherlands BV IJmuiden. The financial data of Tata Steel Netherlands BV are separately registered in the Netherlands with the Trade Register of the Chamber of Commerce in Amsterdam (Commercial register number: 34005278).

An overview of the information required by Articles 2:379 and 2:414 BW is set out below:

Non consolidated companies:

Name	Registered office	Share in the capital
SAB Profiel GmbH	Niederaula, Germany	100%
Montana Bausysteme AG	Villmergen, Switzerland	100%

1.3 Consolidated financial statements

The company makes use of the exemption for holding companies as permitted by Section 2:408 BW. The financial information of SAB and its subsidiaries are included in the published consolidated financial statements of Tata Steel Netherlands BV. The financial statements of Tata Steel Netherlands BV has been filed with the Trade Register in Amsterdam under number 34,005,278.

1.4 Cash flow statement

By the Council for Annual Reporting for large and medium-sized entities mandated a cash flow statement [RJ 360 104] to draw unless:

- the capital of the legal person by another legal entity provided that issues a cash flow statement; and
- cash flow statement is included in financial statements that are available in the Netherlands.

The financial data of the Company are included in the consolidated financial statements of Tata Steel Netherlands BV, which is deposited separately (with the Trade Register of the Chamber of Commerce in Netherlands Trade number: 34005278). Accordingly, the Company uses the above exemption.

2. Principles for the drafting of the annual report

2.1 General

The annual report is prepared conform the rules of Title 9 Book2 CL.

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.

At the end of March 2016, the Board of Tata Steel Ltd. announced that the Board of Directors of Tata Steel Europe has recommended examining the options for a portfolio restructuring of its European operations, including the possible sale of its subsidiary Tata Steel UK (TSUK) Limited, in whole or in parts.

The Board of directors of Tata Steel Netherlands (TSN) has the potential immediate impact of such development on TSN and its subsidiaries. The evaluation has a number of potential problems and risks for TSN that may result from a separation of or termination of all or part of the work and activities TSUK identified. The opinion of the Executive Board is that TSN will be able to address these risks appropriately and that TSN the challenges of such an important change in the TSE business structure will overcome without durable material detrimental effect on its work and activities.

2.2 Financial instruments

Financial instruments for the primary financial instruments such as receivables and payables are included. For the principles of primary financial instruments refer to the balance sheet item.

The company has no financial derivatives.

2.3 Exchange of foreign currencies

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.

Principles for valuation of assets and liabilities

2.4 Material fixed assets

The material fixed assets are evaluated on acquisition cost, minus the cumulative depreciation and if applicable with the special value depreciation. The depreciation is based on the estimated economic lifespan and is calculated on basis of a fixed percentage of the acquisition cost, taking into account a possible residual value. Depreciation takes place from the moment of deployment. Grounds are not depreciated.

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

2.5 Financial fixed assets

The non-consolidated companies, which have significant influence over the operating and financial policy is exercised, valued at cost and, where applicable, net of impairment, by applying Article 2: 408 BW

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 appreciated at face value and have a predominantly long term nature.

2.6 Inventory

Raw materials and consumables are valued at cost or net realizable value. This lower net realizable value is determined by individual assessment of stocks. The Stocks of raw materials, consumables and goods are made on the basis of weighted average prices.

Finished goods are valued at production cost or net realizable value. This lower net realizable value is determined by individual assessment of stocks. Production cost includes direct material consumption and an allowance for indirect manufacturing costs.

Net realizable value is based on estimated selling price less costs to be incurred to completion and disposal.

2.7 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.

2.8 Cash

Liquid assets are valued at their nominal value. If resources are not freely available, it is taken into account in the valuation.

2.9 Facilities

Provisions for employee benefits

The company has two pension plans, which are funded by contributions to the pension provider, namely the industry Metalektro and an insurance company. The pension from the scheme is accounted for using the liability to the pension provider approach'. In this approach, the premium payable to the pension administrator 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 appreciation recognized is the best estimate of the amounts necessary to settle. Relevant obligations at the 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.

Facility deferred tax obligations

The 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 (25%). 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

Warranty provision

The provision for warranties is recognized for the estimated costs expected to result from the balance sheet date current warranty obligations under goods and services. Paid by the facility, the costs arising from the honoring warranty claims.

Restructuring provision

This provision relates to costs associated with the reorganization of activities and is recognized when the group is formed actual or legal obligation Reorganization which the balance sheet date a plan is formalized, but which after the balance sheet date or the legitimate expectation is aroused direction involved that the reorganization will be implemented either has started the implementation of the reorganization plan, a provision is recognized in the balance sheet. The provision is measured at nominal value.

Other long term employee benefits

Other long-term employee benefits are those which form part of the remuneration package, such as jubilee bonuses, temporary leave and the like, with a long-term nature. This involves building rights. The obligation contained are valued against the best estimate of the amounts that are required to comply with the obligations by the balance sheet date. The provision is measured at nominal value.

2.10 Short term debt and accruals

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

3. Principles for determination of the result

3.1 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.

3.2 Share in the result of non-consolidated companies subscribed

With associates where significant influence over the operating and financial policy is exercised, the dividend is regarded as a result. This is reported under financial income and expenses.

3.3 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.

The company is part of a fiscal unity for corporate, where Tata Steel Netherlands Holding BV Head of the fiscal unit. On this basis, S.A.B. Profiel BV not independently liable. Corporation tax is calculated as if SAB Profiel BV would be independently liable and overdrafts with Tata Steel Netherlands Holding BV settled.

Notes to the separate the items of the balance sheets and the profit and loss account

4. Material fixed assets

	Land and buildings	Machinery and equipment	Other fixed assets	Total
	EUR x 1.000	EUR x 1.000	EUR x1.000	EUR x1.000
1st April 2015				
Purchase price:	17.534	32.978	3.756	54.268
Accumulated depreciation	(14.002)	(31.538)	(3.756)	(49.296)
Balance sheet value on 1 st April 2015	<u>3.532</u>	<u>1.440</u>	<u>-</u>	<u>4.972</u>
Depreciations	(61)	(450)	-	(511)
Balance sheet value per 31 st March 2016	<u>3.471</u>	<u>990</u>	<u>-</u>	<u>4.461</u>
31st March 2016				
Purchase price:	17.534	32.978	3.756	54.268
Accumulated depreciation	(14.063)	(31.988)	(3.756)	(49.807)
Balance sheet value per 31 st March 2016	<u>3.471</u>	<u>990</u>	<u>-</u>	<u>4.461</u>

Linear depreciation is calculated based on the estimated useful lives. For plant and equipment held 8 years and 5 years for other fixed assets; for office and commercial buildings is assumed as a rule of 25 years. Depreciation is calculated from the date of commissioning. Tangible fixed assets are economically and legally 100% owned by SAB Profile BV

5. Financial fixed assets

	Participating in group size companies	Deferred tax liability	Total
	EUR x 1.000	EUR x 1.000	EUR x 1.000
Balance sheet 1 st April 2015	25.157	432	25.589
Mutations 2015/2016	-	15	15
Balance sheet 31 st March 2016	25.157	447	25.604

Among the holdings in group companies are the following companies:

- SAB Profil GmbH, Niederaula, Germany (100%);
- Montana Bausysteme AG, Villmergen, Switzerland (100%);

The deferred tax asset was formed for taxable temporary differences in the tax valuation and the valuation of tangible fixed assets in these financial statements.

6. Inventory

	31st March 2016	31st March 2015
	EUR x 1.000	EUR x 1.000
Raw materials and consumables	7.325	6.947
Finished goods and merchandise	896	1.165
	8.221	8.112

The provision for obsolete stocks as at 31 March 2016 EUR 46,000 (2014 / 2015: EUR 125,000). The provision for obsolete stocks as at 31 March 2015 EUR 122,000 (2014 / 2015: 70.000)

The amount of the impairment and the loss of stocks in the profit and loss account amounts in 2015/2016 a gain of EUR 27,000 (2014 / 2015 a profit of EUR 40,000).

7. Claims and prepayments

	<u>31st March 2016</u>	<u>31st March 2015</u>
	EUR x 1.000	EUR x 1.000
Trade receivables	9.251	9.495
Receivables group companies	45.134	39.847
Current tax assets	581	515
Pension claim	27	19
Other receivables	4	4
Prepayments	358	617
	<u>55.355</u>	<u>50.497</u>

All receivables and prepayments have a maximum duration of one year.

On the outstanding amount of trade receivables is a provision for bad debts deducted from EUR 189,000 (2014 / 2015: EUR 100,000). The amount of the write-down of bad debts in the profit and loss account amounts to 2015 / 2016 a charge of EUR 985 (2014 / 2015: EUR 157,428).

In loans to group companies are also the group deposits placed amounting to EUR 44.000.000 (2014/2015: 38.700.000). The deposits have a maturity of up to one year. The average interest rate in 2015/2016 0% (2014/2015: 0,1%).

8. Cash

Cash and cash equivalents are as follows:

	<u>31st March 2016</u>	<u>31st March 2015</u>
	EUR x 1.000	EUR x 1.000
Cash and bank balances	304	597
	<u>304</u>	<u>597</u>

The company has access to a bank facility. The interest rate is based on EURIBOR 1 month without exit.

Cash and bank balances at the free disposal of the entity.

9. Equity

Share capital

The share capital of the Company as at 31.03.16 and by 31.03.15 € 675,000 divided into 1,500 ordinary shares of € 450.

The issued and paid up share capital of EUR 135,000 (31.03.15: 135,000), consisting of 300 ordinary shares, all of EUR 450 nominal.

The statement of changes in equity for 2015/2016 is as follows:

	Issued share capital	Premium reserve	Other reserves	Income	Total
	EUR x 1.000	EUR x 1.000	EUR x 1.000	EUR x 1.000	EUR x1.000
Situation per 1 st April 2015	135	12.232	65.927	1.582	79.876
Result book year			1.582	(1.582)	-
Result book year				4.684	4.684
Situation per 31 March 2016	135	12.232	67.509	4.684	84.560

10. Facilities

	31st March 2016	31st March 2015
	EUR x 1.000	EUR x 1.000
Deferred tax liabilities	70	72
Provisions	1.000	850
Reorganization	237	170
Other deferred employee	50	50
	1.357	1.142

The transactions of services is as follows:

	Taxes	Guarantees	Reorganization	Other	Total
	EUR x 1.000	EUR x1.000	EUR x 1.000	EUR x 1.000	EUR x 1.000
Situation per 1 April 2015	72	850	170	50	1.142
Additions		150	107	-	257
Transfers			-	-	
Release	(2)		(40)	-	(42)
Situation per 31 March 2016	70	1000	237	50	1.357

The provision for deferred taxation is made for taxable temporary differences in the tax valuation and the valuation of stocks of raw materials and consumables in the accounts. The provision for warranties is recognized for the estimated costs expected to result from the balance sheet date current warranty obligations under goods and services.

The restructuring provision relates to restructuring costs associated with programs of Tata Steel and SAB.

Other deferred employee relates to deferred compensation for employees under jubilee payments at 25 years and 40 years. The provision is measured at present value and the discount rate is 2.5%. The calculation is based on commitments, retention rate and age.

The deferred tax liabilities are generally long-term nature. Other provisions are mainly short term in nature.

Pension for the staff:

S.A.B. Profile BV has two pension schemes for staff.

Scheme I:

This scheme is funded by contributions to a pension fund industry. Participation in the pension fund industry is mandatory in the collective agreement including S.A.B. Profiel B.V. 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.

The annual accrual of pension amounts in 2016: 1,875% (2015: 1.875%) of pensionable salary, and was based on the gross salary minus a franchise of EUR 15,104 (2015: 15.304). The pensionable salary is capped at EUR 70 416 in 2016 (2015: EUR 70,000). The annual premium borne by the employer amounts to 23.2% (2015: 23.6%) of pensionable salary. 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 in question is at the end of March 2016, as declared by the Fund 95.8% (end of March 2015: 102.3%). Based on the implementing regulations, the Company has a deficit in the fund no obligation to pay additional contributions other than through higher future premiums.

To reach the statutory minimum funding the pension fund has prepared a recovery plan. The main components of this recovery plan are: reduction of pension and retirement benefits, and no indexation of the pension.

Scheme II:

For personnel with a higher pensionable salary SAB has Profile BV a surplus arrangement concluded with an insurance company. This scheme is a defined contribution scheme. The structure of the proposed pension is still in the calendar year funded by premium payments. The amount of capital that can be used for the purchase of a pension equal to the investment value at retirement. The return on the premium payment is not guaranteed.

11. Short term debt and accruals

	<u>31st March 2016</u>	<u>31st March 2015</u>
	EUR	EUR
	x 1.000	x 1.000
Prepayments received on orders	88	92
Trade accountants payable	1.661	1.271
Liabilities of group companies	2.948	4.482
Other tax and social security contributions	590	610
Other debts and accruals	<u>2.741</u>	<u>2.294</u>
	<u>8.028</u>	<u>8.749</u>

All accounts payable and accrued liabilities have a maturity of less than one year.

The item other payables and accruals are mainly staff-related items as yet been paid vacation and holidays.

12. Financial instruments and risk management

General

For the explanation of primary instruments, see the specific notes. Below is the policy of the group included regarding financial risks.

Credit risk

SAB has no significant concentrations of credit risk. Deliveries are made to customers who meet the creditworthiness criteria Atradius credit insurance.

Liquidity risk

The risk that future cash flows associated with a monetary financial instrument will fluctuate in volume is minimal, since the assets and liabilities are mainly short-term. Given the short maturity of these instruments approximates their carrying value in the course of trade.

13. Obligations not taken up in the balance sheet

Operating leases

The obligations arising from long-term contracts can be broken down as follows:

	<u>31st March 2016</u>		<u>31st March 2015</u>	
	Obligations ≤ 1 year	Obligations > 1 year and < 5 year	Obligations ≤ 1 year	Obligations > 1 year and < 5 year
	EUR x 1.000	EUR x 1.000	EUR x 1.000	EUR x 1.000
Lease and equipment -			-	-
Lease other fixed assets	<u>211</u>	<u>229</u>	<u>161</u>	<u>117</u>
	<u>211</u>	<u>229</u>	<u>161</u>	<u>117</u>

Fiscal unity

The company is part of a fiscal unity for corporate, where Tata Steel Netherlands Holding BV Head of the fiscal unit. On this basis, S.A.B. Profile BV severally liable for the tax liability of the entity as a whole.

Notes to the separate the items of profit and loss account

14. Net turnover

Net sales can be segmented as follows:

	<u>2015/2016</u>	<u>2014/2015</u>
	EUR x 1.000	EUR x 1.000
Netherlands	43.202	41.984
Europe excluding the Netherlands	34.801	40.408
Other countries	597	483
	<u>78.600</u>	<u>82.875</u>

The net sales of EUR 4.8 million (2014/2015: EUR 4.3 million) turnover understood to group companies of the Tata Group.

Net turnover is realized in the construction / building industry.

15. Personnel costs

The pension rates are as follows:

	<u>2015/2016</u>	<u>2014/2015</u>
	EUR x 1.000	EUR x1.000
Wages and salaries	8.037	8.149
Pension cost	737	744
Other social cost	565	559
	<u>9.339</u>	<u>9.452</u>

During the year 2015 / 2016 an average of 143 workers were employed (2014 / 2015: 151 These were no employees working abroad.

The average number of employees calculated on a full-time basis and broken down operations, net:

	<u>2015/2016</u>	<u>2014/2015</u>
	EUR x 1.000	EUR x 1.000
Direct staff	122	122
Indirect staff	21	29
	<u>143</u>	<u>151</u>

16. Other operating costs

Operating lease charges

During the year, SAB EUR 190,000 (2014/2015 is: 197,000) in lease payments in the profit and loss account in respect of operating leases.

17. Financial income and expenses

Financial income and expenses are broken down as follows:

	<u>2015/2016</u>	<u>2014/2015</u>
	EUR x 1.000	EUR x 1.000
Interest income group companies	117	35
Distributions of non-valued at net asset value	4.329	3.425
	<u>4.446</u>	<u>3.460</u>

18. Tax result from normal business activities

Tax on the profit on ordinary activities can be explained as follows:

	<u>2015/2016</u>	<u>2014/2015</u>
	EUR x 1.000	EUR x 1.000
Operating income and business operation taxes	4.608	980
Dividends from investments in group companies	(4.329)	(3.425)
Adjusted profit before tax	279	(2.445)
Income taxes adjustment	<u>76</u>	<u>602</u>
Effective tax rate	27,3%	24,6%
Applicable tax rate	25,0%	25,0%

The company is part of a fiscal unity for corporate, where Tata Steel Netherlands Holding BV Head of the fiscal unit. On this basis, S.A.B. Profiel BV not independently liable. Corporation tax is calculated as if SAB Profiel BV would be independently liable and overdrafts with Tata Steel Netherlands Holding BV settled.

The difference between the effective tax rate and the corporate tax rate is mainly caused by the 1st threshold of 20% on taxable income up to EUR 200 000, and non-deductible expenses.

19. Transactions with linked parties

The financial statements include transactions between SAB and other group companies of the Tata Group. These transactions take place as part of normal business and based on market conditions.

Sales to this group of companies, consisting of end products, amounted to EUR 4.8 million (2014 / 2015: 4.3 million). Purchases from these companies, which contain mainly raw materials and services, amounted to EUR 48 million (2014/2015: 55.6 million).

20. Remuneration of and loans to directors

The remuneration of directors includes regular salary, such as salaries, holiday pay and social security, employment benefits, such as pension contributions, benefits upon termination of employment and profit sharing and bonus payments. Given that the statement of directors' remuneration can be to a single individual, traced this statement with reference to Article 2: 382 paragraph 1 of the Civil Code is not recognized.

For the directors of the company, there were no loans granted by the company by 31 March 2016.

21. Signing of the annual report

IJsselstein, 4 July 2016

Director

W.G. Vermeulen

Other data

Auditors report of the independent auditor

For this we refer to the statement entered below.

Statutory rules concerning the appropriation of profit

In Article 10 of the Articles of Association, the following is recorded on the statutory regulation of result:

The net profit after tax shown in the adopted financial statement is available to the general meeting of shareholders.

Appropriation of the result over the book year 2014 / 2015

The annual report 2014 / 2015 is determined at the general meeting of shareholders on 14th August 2015. The general meeting of shareholders has determined the appropriation of profit conform the submitted proposal.

Proposal concerning the appropriation of the profit over the fiscal year 2015 / 2016

At the Annual General Meeting is proposed 2015/2016 profit of EUR 4,684,262 to add to the other reserves. The proposed appropriation of result is not reflected in the financial statements.

Events later then the balance sheet date

No events after the balance sheet date occurred that impact on the result of the both the past, as the current financial year.

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.