

**TATA STEEL**



British Steel Nederland International B.V.  
Report & Accounts 2015

For identification purposes only.  
Related to auditor's report  
dated JUN 26 2015

## Contents

	Page
<b>A. Annual accounts</b>	<b>3</b>
Balance sheet	3
Income statement	4
Notes to the annual accounts 2015	5
Notes to the balance sheet	8
Notes to the income statement	12
Further explanation and signing of the annual accounts	13
<b>B. Other information</b>	<b>14</b>
Appropriation of the result as provided for by the Articles of Association	14
Appropriation of the result for the financial year 2014	14
Appropriation of the result for the financial year 2015	14
<b>C. Independent auditor's report</b>	<b>15</b>

Company address :       Wenckebachstraat 1, 1951 JZ Velsen-Noord  
Trade Registry Number:   14636011

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Related to auditor's report  
dated ... JUN 26 2015 .....

## A. Annual accounts

### Balance sheet

(before appropriation of net profit/loss)

At March 31	Note	2015	2014
		€k	€k
<b>Financial fixed assets</b>			
Shares and loans group companies	1	71.983	69.392
		<b>71.983</b>	<b>69.392</b>
<b>Current assets</b>			
Other receivables	2	191	82
Cash and short term deposits	3	3.375	518
		<b>3.566</b>	<b>600</b>
<b>TOTAL ASSETS</b>		<b>75.549</b>	<b>69.992</b>
<b>Current liabilities</b>			
Current tax liabilities	4	(513)	(410)
Other payables	5	-	(141)
		<b>(513)</b>	<b>(551)</b>
<b>Non Current Liabilities</b>			
Other provisions	6	(13)	(13)
		<b>(13)</b>	<b>(13)</b>
<b>TOTAL LIABILITIES</b>		<b>(526)</b>	<b>(564)</b>
<b>NET ASSETS</b>		<b>75.023</b>	<b>69.428</b>
<b>Equity</b>			
Called up share capital	7	19	19
Reserves	7	62.409	66.278
Unappropriated result	7	12.595	3.131
<b>TOTAL EQUITY</b>		<b>75.023</b>	<b>69.428</b>

For identification purposes only.  
Related to auditor's report  
dated JUN 26 2015

## A. Annual accounts

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### Income statement

For the financial period ended March 31

		2015	2014
		€k	€k
<b>Other operating income</b>	8	17.184	4
<b>Total operating income</b>		17.184	4
Total operating costs	8	(20)	(65)
<b>Operating profit/ (loss)</b>		17.164	(61)
Impairment of Associate	9	(7.279)	-
Finance costs	10	-	1.816
Finance income	10	2.813	1.834
<b>Profit / (Loss) before taxation</b>		12.698	3.589
<b>Taxation</b>	11	(103)	(458)
<b>Profit / (Loss) after taxation</b>		12.595	3.131
<b>Attributable to owners of the company</b>		12.595	3.131

For identification purposes only.  
Related to auditor's report  
dated ... JUN 26 2015 .....

## A. Annual accounts

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### Notes to the annual accounts 2015

#### General information

The Company was incorporated with limited liability under the laws of the Netherlands on January 14, 1992 by Corus International (Overseas Holdings) Ltd., United Kingdom. The statutory seat of the Company is IJmuiden, and its principal place of business is in Velsen-Noord. The activities of the Company are that of a holding and finance company.

#### Group structure

British Steel Nederland International B.V. is a subsidiary of Tata Steel Netherlands Holdings B.V. which has its statutory seat at IJmuiden and its registered office at Wenckebachstraat 1, 1951 JZ Velsen-Noord, the Netherlands. The ultimate parent company is Tata Steel Limited, Mumbai, India.

#### Related parties

The Company is incorporated with the purpose of holding and financing of group companies and/or several of its subsidiaries and associate companies out of its equity and by using loans provided by its shareholder and/or group companies.

#### Consolidation

The consolidated annual report of the Company and its subsidiaries is not included in this annual report, as the Company makes use of the exemption as permitted in article 2:408.1b of the Dutch Civil Code.

The financial data of British Steel Nederland International B.V. and its subsidiaries are part of the consolidated annual accounts of Tata Steel Europe Limited, 30 Millbank, London SW1P 4WY, United Kingdom.

The annual accounts of the ultimate parent company in the European Union, Tata Steel Europe Limited, are filed with Companies House, Crown Way, CF14 3UZ DX 33050 Cardiff, United Kingdom. These annual accounts are also available at the Chamber of Commerce at Amsterdam, Trade Registry Number: 34255148.

#### Accounting policies

##### General

The annual accounts have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The annual accounts are denominated in euro.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

##### Functional currency and presentation currency

The annual accounts of the Company are presented in euro, the currency of the primary environment in which it operates (its functional currency).

##### Transactions and balances

Monetary assets and liabilities in foreign currencies are translated into euro at the quoted rates of exchange ruling at each balance sheet date. Income statement items are translated into euro at the average rates for the financial period. Any resulting exchange differences are taken to the income statement.

For identification purposes only.  
Related to auditor's report  
dated JUN 26 2015



## A. Annual accounts

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### *Shares in subsidiaries*

Because of international entanglement of the Company's operations and the application of article 2:389 of the Dutch Civil Code juncto article 2:408 of the Dutch Civil Code, participations are valued at historical cost less any provision for impairment in value. Expenses directly related to the purchase, sale and/or issue of new shares are activated as part of the value of the shares in subsidiaries.

### *Impairment of shares in subsidiaries*

On balance sheet date, the Company tests whether there are any indications of an asset which could be subject to impairment. If there are such indications, the legal entity should estimate the recoverable amount of the asset concerned. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified.

An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the highest of the realisable value and the present value. An impairment is recognised as an expense in the income statement immediately.

### *Receivables*

Receivables are valued at face value less a provision for possible uncollectable accounts.

### *Interest paid and received*

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received.

### *Dividends*

Dividends to be received from subsidiaries or joint ventures are recognised as soon as the Company acquires the right to them.

### *Income taxes*

Taxes on income are accrued in the same periods as the revenues and expenses to which they relate, taking into account permanent differences. In computing the taxes current tax rates are applied. The difference between the taxation computed in this manner and that according to the tax regulations is included in the balance sheet as a deferred tax asset or liability.

For corporation tax purposes, the Company is part of the fiscal unity Tata Steel Netherlands Holdings B.V. Within the fiscal unity of Tata Steel Netherlands Holdings B.V., the following arrangements are in place: each year, the Company is to pay Tata Steel Netherlands Holdings B.V. the corporation tax that it owns on its taxable profits in line with the rate prevailing for that year. If the Company makes a loss for tax purposes in a given year, Tata Steel Netherlands Holdings B.V. will pay the Company a refund of taxes, similarly calculated on the basis of the rate prevailing for that year.

### *Equity*

Expenses directly related to the purchase, sale and/or issue of new shares are directly charged against equity, net of the relevant income tax effects. Other direct changes in equity are also recognised net of the relevant income tax effects.

### *Financial instruments*

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The detailed accounting treatment for such items can differ, as described in the following sections:

For identification purposes only.  
Related to auditor's report  
dated JUN 26 2015

## A. Annual accounts

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### *Financial liabilities and equity*

Financial liabilities and equity instruments are classified according to the terms of the individual contractual arrangements.

### *Borrowings*

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Interest-bearing bank loans and overdrafts are initially recorded at their fair value which is generally the proceeds received, net of direct issue costs. These borrowings are subsequently measured at amortised cost.

### *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### *Interest paid and received*

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received.

### *Dividends*

Dividends to be received from subsidiaries are recognised as soon as the Company acquires the right to them.

### *Income taxes*

Taxes on income are accrued in the same periods as the revenues and expenses to which they relate, taking into account permanent differences. In computing the taxes current tax rates are applied. The difference between the taxation computed in this manner and that according to the tax regulations is included in the balance sheet as a deferred tax asset or liability.

For identification purposes only.  
Related to auditor's report  
dated .. JUN 26 2015 .....

## A. Annual accounts

### Notes to the balance sheet

#### 1. Shares and loans group companies

	Shares in group companies	Loans to group companies	Total
	€k	€k	€k
Balance March 31, 2014	63.392	6.000	69.392
Sale of Tata Steel International (Australasia) Ltd.	(130)	-	(130)
Impairment Corus-Kalpinis Simos Cladding Industrial SA	(2.279)	-	(2.279)
Impairment Tata Elastron S.A. Service Center	(5.000)	-	(5.000)
Loan to Service Centre Maastricht B.V.	-	10.000	10.000
Balance March 31, 2015	55.983	16.000	71.983

Investments in subsidiaries at March 31, 2015 are:

	Share- holding %	Value €k
Service Centre Maastricht B.V.	100	18.151
Tata Steel International (Benelux) B.V.	100	-
Corus Steel Service STP LLC, Russia	100	25
Tata Steel Istanbul Metal Sanayi ve Ticaret A.S., Turkey	99,9	15.146
Eric Olsson & Söner Förvaltnings AB, Sweden	100	6.945
Tata Steel International (Canada) Holdings Inc., Montreal, Quebec, Canada	100	310
Corus Ireland Limited, Dublin, Rep. of Ireland	100	-
Tata Steel International (Sweden) AB, Gothenburg, Sweden	100	7
Norsk Stal A/S, Oslo, Norway	50	3.632
Norsk Stal Tynplater A/S, Norway	50	1.252
Tata Steel International (Czech Republic) S.R.O., Czech Republic	100	34
Tata Steel International (Poland) Sp.Zo.o., Poland	100	2.135
Tata Steel International (Denmark) A/S., Denmark	100	120
Tata Steel International Ibérica S.A., Spain	100	142
Tata Steel International (Finland) oy, Finland	100	128
Kalzip India Private Ltd., India	100	913
Tata Steel Denmark Byggesystemer A/S, Denmark	100	5.792
Layde Steel SL., Spain	100	-
Stainless Velsen-Noord B.V.	100	118
Tata Steel Ticaret AS, Istanbul, Turkey	50	133
Corus-Kalpinis Simos Cladding Industrial SA	50	1.000
Tata Elastron S.A. Service Center	50	-
Financial fixed assets		55.983

The carrying values of the Company's investments are tested annually for impairment. The outcome of the test at 31 March 2015 resulted in a permanent diminution of € 7 million in the value of the Company's investment in Corus-Kalpinis Simos Cladding Industrial SA and Tata Elastron S.A. Service Center. The volume and financial performance of the Greek joint ventures (Corus Kalpinis Simos SA (CKS) and Tata Elastron S.A Steel Service Center (TES)) has been adversely impacted by the Greek financial crisis and its impact on the local construction market.

The disposal of the 50% shareholding in Norsk Stahl A/S took place after the balance sheet date. The realized difference of € 7.8m between the disposal proceeds and the balance sheet valuation on the basis of cost will be accounted for as income in FY2016.



For identification purposes only.  
Related to auditor's report  
dated JUN 26 2015

## A. Annual accounts

2. Other receivables	2015	2014
	€k	€k
Amounts owed by other Tata Steel Companies	191	82
	191	82

  

3. Cash and short term deposits	2015	2014
	€k	€k
Bank balances and terminable deposits	3.375	518
	3.375	518

  

4. Current tax liabilities	2015	2014
	€k	€k
Dutch corporation tax	(513)	(410)
	(513)	(410)

  

5. Other payables	2015	2014
	€k	€k
Amounts owed to other Tata Steel companies	-	(141)
	-	(141)

  

6. Other provisions	2015	2014
	€k	€k
Other provisions	(13)	(13)
	(13)	(13)

## 7. Equity

	Issued share capital	Share premium account	Legal and non-distributional reserve	General reserve	Unappropriated result	Total
	€k	€k	€k	€k	€k	€k
Balance sheet value at March 31, 2014	19	52.753	1.113	12.412	3.131	69.428
Appropriated result 2014	-	-	-	3.131	(3.131)	-
Net result current year	-	-	-	-	12.595	12.595
Interim dividend paid	-	-	-	(7.000)	-	(7.000)
At March 31, 2015	19	52.753	1.113	8.543	12.595	75.023

The authorised capital of the Company amounted to € 90.000,00 consisting of 2.000 ordinary shares of € 45,00 each of which 412 shares amounting to € 18.540,00 are issued and paid up.

An interim dividend has been paid in September 2014 of € 7.000.000 on the ordinary shares to Tata Steel Netherlands Holdings B.V..

For identification purposes only  
 Related to auditor's report  
 dated JUN 26 2015

## A. Annual accounts

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### Contingent liability

British Steel Nederland International B.V. is part of the Dutch fiscal unity Tata Steel Netherlands Holdings B.V. since April 1, 2010 and for this reason is jointly and severally liable for corporate income tax liabilities of this fiscal unity.

### Pledge

The shares of British Steel Nederland International B.V. have been pledged to the Bank syndicate as security for the Senior Facilities Agreement of Tata Steel Netherlands Holdings B.V.

For identification purposes only.  
Related to auditor's report  
dated JUN 26 2015 .....

## A. Annual accounts

### Notes to the income statement

#### 8. Operating income and costs

	2015	2014
	€k	€k
Income and costs by type:		
Exchange rate differences	(11)	(48)
General expenses	(9)	(17)
Disposal of group companies	17.184	4
	17.164	(61)

#### 9. Impairment of Associate

	2015	2014
	€k	€k
Impairment Corus-Kalpinis Simos Cladding Industrial SA	(2.279)	-
Impairment Tata Elastron S.A. Service Center	(5.000)	-
	(7.279)	-

#### 10. Financing items

	2015	2014
	€k	€k
Foreign exchange result group companies	-	1.816
Finance cost	-	1.816
Dividend income	1.333	502
Interest from group companies	719	81
Dividend from group companies	761	1.251
Finance income	2.813	1.834

#### 11. Taxation

	2015	2014
	€k	€k
Dutch corporation tax	(103)	(458)
	(103)	(458)

#### Taxation

Taxation is based on 25% of the result before taxation after exclusion of the Income from investments not recorded at net equity value. The taxable amount is € 699 thousand which results in a tax charge of € (175) thousand. This tax charge is corrected with a prior year adjustment of €72 thousand resulting in a total tax position of € 103 thousand.

#### Number of employees

The average number of active employees in 2015 was 0 (2014: 0).

#### Remuneration and loans to Directors

In the financial year, no remuneration or payment of any other kind was made at the Company's expense to its directors.

For identification purposes only.  
Related to auditor's report  
dated ..... JUN 26 2015 .....

## A. Annual accounts

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### Further explanation and signing of the annual accounts

#### Names and addresses of consolidating companies

The financial information of British Steel Nederland International B.V. is consolidated in the consolidated annual accounts of Tata Steel Europe Limited, 30 Millbank, London SW1P 4WY, United Kingdom.

The ultimate parent company is Tata Steel Limited, Mumbai, India, which is registered in the relevant trade register.

The office address of the Company and its parent company Tata Steel Netherlands Holdings B.V. is as follows:

British Steel Nederland International B.V.	Wenckebachstraat 1 P.O. Box 10.000	1951 JZ Velsen-Noord 1970 CA IJmuiden
Tata Steel Netherlands Holdings B.V.	Wenckebachstraat 1 P.O. Box 10.000	1951 JZ Velsen-Noord 1970 CA IJmuiden

#### Signing of the annual accounts

The 2015 annual accounts of British Steel Nederland International B.V. have been signed by its plenary Board of Directors.

Velsen-Noord, June 26, 2015

The Board of Directors

E.A. Lambrechts

E.A.M. Selie

For identification purposes only.  
Related to auditor's report  
dated JUN 26 2015

## **B. Other information**

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### **Appropriation of the result as provided for by the Articles of Association**

The profit/ loss as shown by the annual accounts is at the disposal of the annual general meeting.

### **Appropriation of the result for the financial year 2014**

The net profit for the year ended March 31, 2014 was added to the General Reserve account.

### **Appropriation of the result for the financial year 2015**

It is proposed to the annual general meeting to add the profit of the 2015 financial period, in the sum of € 12.595 Thousand, to the General Reserve.

### **Independent Auditor's report**

The report of the independent auditor is provided by Deloitte Accountants B.V. on the next page.

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Related to auditor's report  
JUN 26 2015



**C. Independent auditors report**

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For identification purposes only.  
Related to auditor's report  
JUN 26 2015 .....



## **Independent auditor's report**

To: the Shareholder of British Steel Nederland International B.V.

### **Report on the financial statements**

We have audited the accompanying financial statements for the year ended March 31, 2015 of British Steel Nederland International B.V., VelsenNoord, which comprise the balance sheet as per March 31, 2015, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

12/20/20

## **Opinion with respect to the financial statements**

In our opinion, the financial statements give a true and fair view of the financial position of British Steel Nederland International B.V. as per March 31, 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

## **Report on other legal and regulatory requirements**

Pursuant to our engagement to audit the financial statements for the year ended March 31, 2015 we have no deficiencies to report as a result of our examination whether the information as required under Section 2:3 92 sub 1 at b-h of the Dutch Civil Code has been annexed.

Amsterdam, June 26, 2015

Deloitte Accountants B.V.



J. Hendriks

