

**CORUS TUBES POLAND Ltd.**

Grabiszyńska 241, 53-234 Wrocław  
NIP: 912 167 95 21 REGON: 932057381

**FINANCIAL STATEMENT**

**For the accounting period  
from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015**

**Financial statement for the accounting period  
from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015**

To the shareholders of CORUS TUBES POLAND Ltd.

In compliance with the provisions of the act dated 29<sup>th</sup> September 1994 – Accounting Law (Dz. U. /Legal Journal/ year 2013, item 330 with further amendments) the Management Board is obliged to ensure the preparation of an annual financial statement giving a true and fair view of the Company's asset and financial situation at the end of the accounting period as well as the financial result and profitability in a given year.

Balance sheet, profit and loss account and the notes to the financial statement were drawn up in compliance with the act – Accounting Law and presented herein in the following order:

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The Management Board's report forms an enclosure to this financial statement.

President of the Management Board  
Remco Blaauw

Person responsible for keeping the books of accounts  
Elżbieta Szustkowska

Wrocław, 30<sup>th</sup> April 2015

## 1. Information about the Company

- a. The company was founded as a result of concluding the Articles of association, signed on 23<sup>rd</sup> August 1999 on a notarial act, Repertory A No. 2497/99 in the notary's office before a notary in Strzelin Margaret Paluszek. Pursuant to the agreement, the Company has been concluded for an indefinite period.
- b. The Company's seat is located in Wrocław, in Grabiszyńska 241.
- c. By way of a decision of the District Court in Opole, Economic Department VIII of KRS /National Court Register/, dated 28<sup>th</sup> August 2002, the Company was entered into the National Court Register – Register of Entrepreneurs under number KRS 0000128407.

## 2. Principles adopted for drawing up the financial statement

- a. This financial statement covers the period from 01.04.2014 to 31.03.2015 and was prepared on the assumption that the Company would continue its operation in the foreseeable future (going concern concept) and that the Company did not intend or would not be forced to abandon its activity or significantly reduce its scope.
- b. In accordance with the knowledge of the Company's Management Board there are no circumstances that would indicate a hazard to continuing the activity by the Company.

## 3. Adopted accounting principles and methods

The accounting principles adopted for drawing up the financial statement are compliant with the act dated 29<sup>th</sup> September 1994 – Accounting Law (Dz. U. year 2013, item 330 with further amendments), hereinafter referred to as the Act, which defines, among others, the accounting principles for the entities having their seat or the place of management within the territory of the Republic of Poland.

Respective items of assets and equity and liabilities are valued according to their incurred acquisition costs, respecting the prudence concept.

## 4. Intangible fixed assets, fixed assets

Intangible fixed assets, fixed assets and fixed assets under construction are valued according to their acquisition prices or production cost, decreased by the hitherto made depreciation. Depreciation charges are made by applying the straight line depreciation method.

For depreciation of fixed assets and intangible fixed assets are applied rates stipulated in the List of annual depreciation rates, enclosed to tax regulations or settled individually in accordance with depreciation plan.

For the fixed assets with regard to which there is a suspicion that in the foreseeable future they will not bring any economic benefits, provisions for permanent impairment losses are created.

For the basic groups of fixed assets the Company applies the following annual depreciation rates:

- |                                     |    |       |
|-------------------------------------|----|-------|
| a) for intangible fixed assets:     |    |       |
| - other intangible fixed asset      |    | 50 %  |
| b) for fixed assets:                |    |       |
| - technical equipment and machinery | 7  | - 30% |
| - other fixed assets                | 10 | - 25% |

## 5. Long-term investments

Purchased or originated financial assets and other investments are recognised on the day of their acquisition or origination according to their acquisition prices. As on the balance sheet date shares in other entities classified to fixed assets are valued according to acquisition prices.

## 6. Receivables and liabilities

Receivables and liabilities (including those by virtue of credits and loans) in the Polish currency are recognised according to the value subject to payment. Receivables and liabilities in other currencies are recognised at the time of their origination according to the average exchange rate determined by the President of NBP (National Bank of Poland) for a given currency. Positive or negative foreign exchange differences originating on the date of payment and resulting from the difference between the foreign exchange rate on that day and the foreign exchange rate effective on the day when an account receivable or payable originated, are classified into financial income or costs, respectively.

Accounts receivable and payable in a foreign currency which remained unsettled as on the balance sheet date are valued according to the average foreign exchange rate published by the NBP for given foreign currency as effective on that day. Valuation of assets expressed in foreign currency as on the balance sheet date, with the consideration of above-mentioned, can't be higher and for liabilities – lower, than their value calculated to Polish currency as per the average foreign exchange rate determined by the NBP on that day.

The value of accounts receivable is subject to revaluation taking into consideration the probability of their payment, by making a valuation allowance.

#### **7. Cash**

Domestic cash in hand and at bank is valued according to its face value. The inflow of foreign currencies into the foreign currency bank account is valued according to the buying rates of exchange, used on that day by the bank keeping the foreign exchange account, while the outflow of currencies is valued according to the selling rates of exchange effective on the date of outflow. As on the balance sheet date cash was valued according to the average foreign exchange rate published by NBP for a given foreign currency as effective on that day. Foreign exchange differences determined at the end of the accounting year affect the financial result, namely, positive ones – are recognised as financial income, while negative ones – as financial costs.

#### **8. Capitals**

The share capital is recognized in the amount specified in the agreement and entered into the Court Register. Declared but not contributed capitals are recognized as capital not paid-in.

The supplementary capital is formed by appropriations from the Company's yearly net profit.

#### **9. Provisions for liabilities**

Provisions for liabilities are created in the case where their amounts or maturity dates are doubtful, while their origination is certain or highly probable, they result from historic events and it is possible to make their reliable estimate.

#### **10. Prepayments and accruals and deferred income**

In the case of incurring expenses concerning the future accounting periods the Company makes prepayments. The costs settled over time include car insurance and services related to web domain.

The Company makes accruals in the amount of probable liabilities attributable to the current accounting period, resulting from performances made by its contacting parties for the Company's benefit and from the obligation of rendering future performances, which amount can be estimated, although the date of their origination is not known yet.

No accruals were made on the end of the accounting year.

#### **11. Revenues from future periods**

In the case of the Company revenues from future periods include particularly: the equivalent of received advanced payments in the virtue of performances, which will be rendered in future accounting periods.

#### **12. Financial result**

The financial result comprises: profit/loss on sale, other operating revenue/costs, financial income/costs, statutory appropriations of profit and extraordinary gains/losses. The Company determines its financial result by adopting the comparative classification format.

**The revenue from sales of products**, i.e. sales of services, is the corresponding amount due to be paid by the customer, decreased by output VAT. Sales can be recognised when customer has received the service. In the case of the Company The revenue from sales of products includes first of all the sale of job placement services outside the country.

**The costs of products** are the production costs of services, which are proportional to revenue from sales.

**Other operating revenue and costs** are the costs and revenue which are not directly related to the ordinary course of business, but which affect the financial result.

**The financial income** includes the revenue from financial operations, while **financial costs** include expenses incurred for financial operations. Interest, commission and foreign exchange differences concerning fixed assets under construction increase the acquisition value of these assets. Negative foreign exchange differences and interest on liabilities and investment loans are charged into the financial costs after the fixed assets have been transferred for use.

**The result on extraordinary items** is the difference between the realised extraordinary gains and the incurred extraordinary losses.

President of the Management Board  
Remco Blaauw

Person responsible for keeping the books of accounts  
Elżbieta Szustkowska

Wrocław, 30<sup>th</sup> April 2015

**BALANCE SHEET as on 31<sup>st</sup> March 2015**

**BALANCE SHEET**

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
	PLN	PLN
<b>Assets</b>		
<b>A. Fixed assets</b>	<b>0,00</b>	<b>0,00</b>
<b>I. Intangible fixed assets</b>	<b>0,00</b>	<b>0,00</b>
<b>II. Tangible fixed assets</b>	<b>0,00</b>	<b>0,00</b>
Fixed assets	0,00	0,00
buildings, premises and civil engineering	0,00	0,00
technical equipment and machinery	0,00	0,00
<b>III. Long-term receivables</b>	<b>0,00</b>	<b>0,00</b>
<b>IV. Long-term investments</b>	<b>0,00</b>	<b>0,00</b>
<b>V. Long-term prepayments</b>	<b>0,00</b>	<b>0,00</b>
<b>B. Current assets</b>	<b>167 674,90</b>	<b>179 686,64</b>
<b>I. Inventories</b>	<b>0,00</b>	<b>0,00</b>
<b>II. Short-term receivables</b>	<b>40 283,00</b>	<b>37 924,00</b>
related parties receivables		
receivables from other entities	0,00	0,00
trade receivables, falling due		
Up to 12 months	0,00	0,00
above 12 months	0,00	0,00
Receivables from other parties	40 283,00	37 924,00
delivery and services, falling due		
up to 12 months	0,00	0,00
above 12 months	0,00	0,00
taxes, subsidies, customs, social and health insurance and other benefits	40 283,00	37 924,00
other receivables	0,00	0,00
<b>III. Short-term investments</b>	<b>127 391,90</b>	<b>141 762,64</b>
Cash and other monetary assets	127 391,90	141 762,64
cash in hand and at bank	127 391,90	141 762,64
<b>IV. Short-term prepayments</b>	<b>0,00</b>	<b>0,00</b>
<b>Total assets</b>	<b>167 674,90</b>	<b>179 686,64</b>

**BALANCE SHEET as on 31<sup>st</sup> March 2015 (contd.)**

	<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> March 2014</b>
	<b>PLN</b>	<b>PLN</b>
<b>Equity and liabilities</b>		
<b>A. Equity capital</b>	<b>(227 970,15)</b>	<b>(229 053,72)</b>
Share capital	50 000,00	50 000,00
Supplementary capital	0,00	0,00
Profit (loss) from previous years	(279 053,72)	(359 647,25)
Net profit (loss)	1 083,57	80 593,53
<b>B. Liabilities and provisions for liabilities</b>	<b>395 645,05</b>	<b>408 740,36</b>
<b>I. Provisions for liabilities</b>	<b>0,00</b>	<b>0,00</b>
<b>II. Long-term liabilities</b>	<b>0,00</b>	<b>0,00</b>
<b>III. Short-term liabilities</b>	<b>395 645,05</b>	<b>408 740,36</b>
Amounts owed to related parties	395 645,05	407 879,36
Trade payables, falling due		
Up to 12 months	0,00	0,00
above 12 months	18 550,42	30 784,73
other	377 094,63	377 094,63
Amounts owed to other entities	0,00	861,00
Up to 12 months	0,00	861,00
above 12 months	0,00	0,00
taxes, customs, social security liabilities	0,00	0,00
salary payables	0,00	0,00
other	0,00	0,00
<b>IV. Accruals and deferred income</b>	<b>0,00</b>	<b>0,00</b>
Negative goodwill	0,00	0,00
<b>Total equity and liabilities</b>	<b>167 674,90</b>	<b>179 686,64</b>

President of the Management Board  
Remco Blaauw

Person responsible for keeping the books of accounts  
Elżbieta Szustkowska

Wrocław, 30<sup>th</sup> April 2015

**PROFIT AND LOSS ACCOUNT (comparative classification)**  
for the accounting period from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015

	12 months up to 31 <sup>st</sup> March 2015	12 months up to 31 <sup>st</sup> March 2014
	PLN	PLN
<b>A. Net revenue from sales and equivalents, including:</b>	<b>0,00</b>	<b>0,00</b>
Net revenue from sales of products	0,00	0,00
Change of product condition (increase – positive value, decrease – negative value)	0,00	0,00
Cost of manufacturing products for own needs	0,00	0,00
<b>B. Operating costs</b>	<b>11 955,18</b>	<b>11 839,58</b>
Depreciation	0,00	0,00
Materials and energy	0,00	0,00
Outside services	11 565,18	11 545,78
Taxes and fees, including:	390,00	293,80
Salaries and wages	0,00	0,00
Social security and other employee benefits	0,00	0,00
Other costs types	0,00	0,00
Value of sold goods and materials	0,00	0,00
<b>C. Profit (loss) on sales (A-B)</b>	<b>(11 955,18)</b>	<b>(11 839,58)</b>
<b>D. Other operating revenues</b>	<b>11 626,93</b>	<b>90 959,79</b>
Profit on sale of non-financial fixed assets	0,00	0,00
Other operating revenues	11 626,93	90 959,79
<b>E. Other operating costs</b>	<b>0,09</b>	<b>0,00</b>
Loss on sale of non-financial fixed assets	0,00	0,00
Other operating costs	0,09	0,00
<b>F. Profit (loss) on operating activity (C+D-E)</b>	<b>(328,34)</b>	<b>79 120,21</b>
<b>G. Financial revenues</b>	<b>1 425,34</b>	<b>1 482,09</b>
Interest, including:		
- from related parties	817,96	1 327,89
	0,00	0,00
Other	607,38	154,20
<b>H. Financial costs</b>	<b>13,43</b>	<b>8,77</b>
Interest, including:		
- for related parties	0,00	0,00
	0,00	0,00
Other	13,43	8,77
<b>I. Profit (loss) on business activity (F+G-H)</b>	<b>1 083,57</b>	<b>80 593,53</b>
<b>J. Extraordinary events (J.I.-J.II.)</b>	<b>0,00</b>	<b>0,00</b>
<b>K. Gross profit (loss) (I±J)</b>	<b>1 083,53</b>	<b>80 593,53</b>
<b>L. Income tax</b>	<b>0,00</b>	<b>0,00</b>
<b>M. Other obligatory decreasing of profit (loss increase)</b>	<b>0,00</b>	<b>0,00</b>
<b>N. Net profit (loss) (K-L-M)</b>	<b>1 083,53</b>	<b>80 593,53</b>

President of the Management Board  
Remco Blaauw

Person responsible for keeping the books of accounts  
Elżbieta Szustkowska

Wrocław, 30<sup>th</sup> April 2015

**1. Intangible fixed assets – increase/decrease during the accounting period**

There were no intangible fixed assets

**2. Fixed assets – increase/decrease in the accounting period**

There were no fixed assets.

**3. Land – own and in perpetual usufruct**

Company does not have any own land or perpetual usufruct.

**4. Inventories**

Company does not have any inventories.

**5. Short-term receivables**

**5.1. Receivables from the State budget (by virtue of taxes, subsidies, customs, social security and health insurance and other performances)**

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
	PLN	PLN
VAT	40 283,00	37 924,00
Total receivables (gross)	40 283,00	37 924,00
Impairment write-down on receivables	0,00	0,00
<b>Total receivables (net)</b>	<b>40 283,00</b>	<b>37 924,00</b>

**6. Cash**

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
	PLN	PLN
Cash in hand	62,80	62,80
Cash at bank	127 329,10	141 699,84
<b>Total cash</b>	<b>127 391,90</b>	<b>141 762,64</b>

**7. Short-term prepayments**

There were no short-term prepayments.

**8. Share capital**

	12 months up to 31 <sup>st</sup> March 2015	12 months up to 31 <sup>st</sup> March 2014
	PLN	PLN
Opening balance	50 000,00	50 000,00
End of period	<b>50 000,00</b>	<b>50 000,00</b>

According to entries to book of shares, share capital of the Company at the balance sheet amounted to 50 000,00 PLN and was divided into 100 equal, indivisible shares with a nominal value of 500,00 PLN each and consisted of assets of foreign corporation.

On the balance sheet date, shareholders of the Company possessing more than 5% of the votes were:

	Shares' number	% votes
Tata Stell Nederland Tubes B.V.	98	98
	<b>98</b>	<b>98</b>

**9. Capitals: supplementary and reserve – changes during accounting year**

The company does not have inventories.

**10. Financial result**

For the accounting period from 01.04.2014 to 31.03.2015 the net profit amounted to 1 083,57 PLN.  
In accordance with the Board's proposal: profit will be applied towards covering accumulated loss.

**11. Short-term liabilities**



11.1. Trade liabilities to related parties, by maturity date

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
	PLN	PLN
Current liabilities:	0,00	0,00
<i>More than 6 months until 1 year</i>	<i>0,00</i>	<i>0,00</i>
Overdue liabilities	18 550,42	30 784,73
	<b>18 550,42</b>	<b>30 784,73</b>

11.2. Other liabilities to related entities

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
	PLN	PLN
Loan	377 094,63	377 094,63
	<b>377 094,63</b>	<b>377 094,63</b>

11.3. Trade liabilities to other entities, by maturity date

	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
	PLN	PLN
Current liabilities:	0,00	861,00
<i>Up to 1 month</i>	<i>0,00</i>	<i>861,00</i>
<i>above 6 months until 1 year</i>	<i>0,00</i>	<i>0,00</i>
Overdue liabilities	0,00	0,00
	<b>0,00</b>	<b>861,00</b>

12. Sales breakdown by categories and territories – revenue from sales of products, trade goods and materials

The company has no revenue from sales of products, trade goods and materials.

13. In the period from 1.04.2014 - 31.03.2015 costs of fixed assets under construction and fixed assets for own needs, incurred for work performed by the entity (in PLN).

Company didn't incur any costs of fixed assets under construction and fixed assets for own needs, incurred for work performed by the entity.

14. Other operating revenue

	12 months up to 31 <sup>st</sup> March 2015	12 months up to 31 <sup>st</sup> March 2014
Profit on sale of non-financial fixe asstes	0,00	0,00
Other	11 626,93	90 959,79
	<b>11 626,93</b>	<b>90 959,79</b>

15. Other operating costs

	12 months up to 31 <sup>st</sup> March 2015	12 months up to 31 <sup>st</sup> March 2014
	PLN	PLN
Other	0,09	0,00
	<b>0,09</b>	<b>0,00</b>

16. Financial income

	12 months up to 31 <sup>st</sup> March 2015	12 months up to 31 <sup>st</sup> March 2014
	PLN	PLN
Other interest received	817,96	1 327,89
Positive foreign exchange differences	607,38	154,20
Other	0,00	0,00
	<b>1 425,34</b>	<b>1 482,09</b>

17. Financial costs

	12 months up to 31 <sup>st</sup> March 2015	12 months up to 31 <sup>st</sup> March 2014
	PLN	PLN
Other interests	0,00	0,00
Negative foreign exchange differences	13,43	8,77
Other	0,00	0,00
	<u>13,43</u>	<u>8,77</u>

18. Extraordinary profits and losses

There were no extraordinary profits or losses.

19. Income tax

19.1. Settlement of main items differing the taxable baase from the gross financial result

	12 months up to 31 <sup>st</sup> March 2015	12 months up to 31 <sup>st</sup> March 2014
	PLN	PLN
<b>Gross profit/loss</b>	<b>1 083,57</b>	<b>80 593,53</b>
<b>Non-tax revenue</b>	<b>(607,38)</b>	<b>(154,20)</b>
<i>including:</i>		
Positive Exchange rate differences	(607,38)	(154,20)
Evaluation of receivables	0,00	0,00
Revenues from previous years representing the current year income tax	0,00	0,00
<b>Costs which are not revenue earning costs</b>	<b>2,48</b>	<b>0,00</b>
<i>including:</i>		
Other operating costs	0,00	0,00
Negative Exchange rate differences	2,48	0,00
<b>Costs of previous years that are deductible expenses in the current year</b>	<b>0,00</b>	<b>0,00</b>
<i>including:</i>		
<b>Taxable income (Tax loss)</b>	<b>478,67</b>	<b>80 439,33</b>
Items deductible from income		
<i>including:</i>		
- losses from previous years	478,67	80 439,33
<b>Total deductions</b>	<b>478,67</b>	<b>80 439,33</b>
<b>Taxable base (Tax loss)</b>	<b>0,00</b>	<b>0,00</b>
Income tax ( 19 %)	0,00	0,00
<b>Net profit/loss</b>	<b>1 083,57</b>	<b>80 593,53</b>

20. Events which occurred after the balance sheet date and where not taken into consideration in the financial statement

After the balance sheet date and before signing the financial statement there did not occur any significant events which could affect the Company's asset or financial situation.

21. Significant events which occurred in previous years recognised in the financial statement for the current accounting year

In previous years haven't occurred any significant events which should be recognized in the financial statement for the current accounting year.

22. Changes of the accounting principles (policies), including valuation methods and changes of the manner of preparing the financial statement made during the accounting year, if they affect significantly the Company's asset or financial situation and financial result, theirs reasons and the amount of financial result and equity capital caused by changes.

Accounting principles (policies) adopted by Company were applied consistently and are compliant with the Accounting Law applied in previous accounting year.

**23. Transactions with related companies with capital, which are not included in the consolidated financial statement.**  
There were no transactions with related companies with capital.

**24. Remuneration, including payment of profits, paid or due to members of the management board and the supervisory board**

No remuneration for member of the Management Board were paid in the current year.

**25. Loans and similar benefits granted to members of the management board and the supervisory board.**

No loans were granted and no other similar performances were made with regard to members of the Management Board and the Supervisory Board.

President of the Management Board  
Remco Blaauw

Person responsible for keeping the books of accounts  
Elżbieta Szustkowska

Wrocław, 30<sup>th</sup> April 2015