

**CORUS TUBES POLAND Spółka z o.o.**

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

**FINANCIAL STATEMENT**

**For the financial year**

**from 1 April 2015 to 31 March 2016**

Wrocław, June 2016

**Financial statement for the financial year  
from 1 April 2015 to 31 March 2016**

For the shareholders of CORUS TUBES POLAND Spółki z o.o.

Pursuant to the provisions of the law of 29 September 1994 on accounting (Journal of Laws of 2013, position 330, as amended), the Board is to prepare and provide an annual financial statement presenting a fair and clear information relevant to the evaluation of the assets and financial position of the Company for the end of the financial year and to prepare financial statements and profitability for that year.

The profit and loss account as well as additional notes have been prepared in accordance with the law on accounting and presented in the hereto document in the following order:

Introduction to the financial statement	Page ( 3 )
Profit and loss account (comparative variant) for the financial year from 1 April 2015 to 31 March 2016 showing a net loss amounting to PLN 459.59	(5)
The balance for 31 March 2016 showing the assets and liabilities amounting to PLN 155 876.47	(7)
Additional notes and information	(11)

The report of the Company's activities prepared by the Management Board of the Company form an attachment to the hereto Financial statement.

Person responsible of bookkeeping  
Elżbieta Szustkowska

Chairman of the Board  
Remco Blaauw

Wrocław, this 30th day of June in the year 2016

## 1. Information about the Company

### 1. Business card

Company: CORUS TUBES POLAND Limited Liability Company

Company's registered office: 53-234 Wrocław, ul. Grabiszyńska 241,

KRS (National Court Register) No: 0000128407 Region (Statistical Number): 932057381 NIP (Tax and VAT Number): 912 167 95 21

2. By the decision of the District Court for Wrocław – Fabryczna in Wrocław, 4<sup>th</sup> Commercial Division of the National Court Register, Dated 28 August 2002, the Company was entered into the National Court Register - the Register of Entrepreneurs under KRS number KRS 0000128407.

## 2. The rules adopted in order to prepare the financial statement

1. The hereto financial statement covers the period from 01/04/2015 to 31/03/2016 and has been drawn on a presumption of a continued economic activity in the foreseeable future and the Company does not intend, nor does it have to discontinue its operations or significantly reduce their scope.
2. In accordance with the Company Board's knowledge, there are no circumstances indicating a threat to the continued activity of the Company.

## 3. Methods of valuation of assets and liabilities (including depreciation), of the financial result and the method of preparation of the financial statements in the balance sheet at the year end, assets have been valued in the following manner:

### 1. Intangible and legal assets, fixed assets

Intangible and legal assets and fixed assets have been valued at purchase prices or manufacturing costs less accumulated depreciation, fixed assets under construction have been valued at purchase prices or manufacturing cost. Depreciation is accounted using a linear method.

In order to depreciate fixed assets and intangible and legal assets provided by the annexed Tax Law annual rates of depreciation have been applied or are determined individually.

For assets for which there is a suspicion that in foreseeable future they will not bring economic benefits, allowances have been made for impairment.

The Company applies the following annual depreciation rates for basic groups:

- |                                     |          |
|-------------------------------------|----------|
| a) for intangible and legal assets: |          |
| - other intangible and legal assets | 50%      |
| b) for tangible assets              |          |
| -technical appliances and machinery | 7 – 30%  |
| -other fixed assets                 | 10 – 25% |

## 2. Receivables and payables

Receivables and liabilities (including loans and advances) are in Polish currency and are stated at their chargeable value.

The value of receivables are based on the probability of their payment before revaluation writing-off.

## 3. Cash

Cash in hand and at bank accounts is valued at its nominal value.

## 4. Equity

Share capital has been shown in the amount specified in the Articles of Association and entered into the Court Register. Declared but not paid in capital is shown as outstanding capital contributions.

The reserve capital is created from net annual profit of the Company.

## 5. Accrued expenses

In case of incurring expenses related to future reporting periods, the Company makes prepayments.

**6. Deferred income**

In case of the Company's deferred income which may include, in particular: the equivalent of received advances for services to be performed in the future reporting periods.

**7. Financial result**

The financial result consists of: net result on sales, the result on other operating activities, the result on financial activity, obligatory charges on the result and the result from extraordinary operations.

The Company has applied a comparative method to measure the financial result.

**The revenue from sales and services** is the amount due from customers, less the tax payable on goods and services. The sale point is that are commensurate with the revenue from sales.

**Other income and operating costs** are the costs and expenses not directly related to current activity effecting the financial result.

**Financial income and expenses** are revenues and expenses from financial operations.

**Result of extraordinary operations** is the difference between realised extraordinary and the extraordinary losses incurred..

The person entrusted with the bookkeeping

Elżbieta Szustkowska

Wrocław, this 30<sup>th</sup> day of June 2016

Chairman of the Board  
Remco Blaauw

**PROFIT AND LOSS ACCOUNT (comparative variant)**  
**For the financial year from 1 April 2015 to 31 March 2016**

( PLN )

DESCRIPTION		12 months to 31 March	12 months to 31 March
		2016	2015
A.	Revenue from sales and equivalents, including:	0,00	0,00
	- from related entities	0,00	0,00
I.	Net revenue from sales of products	0,00	0,00
II.	Change of product status (increase – positive value, decrease – negative value)	0,00	0,00
III.	Cost of production for own needs	0,00	0,00
IV.	Net revenue from sales of goods and materials	0,00	0,00
B.	Operating activity costs	11 653,02	11 955,18
I.	Depreciation	0,00	0,00
II.	Raw materials and energy	0,00	0,00
III.	Outsourced services	11 513,02	11 565,18
IV.	Taxes and fees, including:	140,00	390,00
	- excise duty	0,00	0,00
V.	Remuneration	0,00	0,00
VI.	Social security contribution and other benefits	0,00	0,00
VII.	Other expenses	0,00	0,00
VIII.	Value of goods and materials sold	0,00	0,00
C.	PROFIT/LOSS FROM SALES (A-B)	(11 653,02)	(11 955,18)
D.	Other operating income	11 641,93	11 626,93
I.	Profit on disposal of tangible non-financial assets	0,00	0,00
II.	Grants	0,00	0,00
III.	Other operating income	11 641,93	11 626,93
E.	Other operating expenses	430,50	0,09
I.	Loss on disposal of non-financial tangible assets	0,00	0,00
II.	Value update of non-financial assets	0,00	0,00
III.	Other operating costs	430,50	0,09
F.	PROFIT/LOSS FROM OPERATIONS (C+D-E)	(441,59)	(328,34)
G.	Financial income	293,97	1 425,34
I.	Dividends and profits, including:	0,00	0,00
	- from related entities	0,00	0,00
II.	Interest, including:	293,97	817,96
	- from related entities	0,00	0,00
III.	Profit from disposal of investments	0,00	0,00
IV.	Revaluation of investments	0,00	0,00
V.	Other	0,00	607,38
H.	Financial costs	311,97	13,43
I.	Interest, including:	0,00	0,00

	- from related entities	0,00	0,00
II.	Loss on disposal of investments	0,00	0,00

III.	Revaluation of investments	0,00	0,00
IV.	Other (Exchange rate differences)	311,97	13,43
I.	PROFIT/LOSS FROM ECONOMIC ACTIVITY (F+G+H)	(459,59)	1 083,57
J.	Extraordinary items (J.I - J.II)	0,00	0,00
I	Extraordinary gains	0,00	0,00
II	Extraordinary losses	0,00	0,00
K.	GROSS PROFIT/LOSS (I+/-J)	(459,59)	1 083,57
L.	Income tax	0,00	0,00
M.	Remaining compulsory profit decrease (loss increase)	0,00	0,00
N.	NET PROFIT/LOSS (K-L-M)	(459,59)	1 083,57

Person entrusted with the bookkeeping

Elżbieta Szustkowska

Wrocław, this 30<sup>th</sup> day of June 2016

Chairman of the Board  
 Remco Blaauw

**Balance sheet for 31 March 2016**  
( PLN )

ASSETS		31 March 2016	31 March 2015
<b>A</b>	<b>FIXED ASSETS (I+II+III+IV+V)</b>	<b>0,00</b>	<b>0,00</b>
<b>I</b>	<b>Intangible and legal assets</b>	<b>0,00</b>	<b>0,00</b>
1	Cost of completed development work	0,00	0,00
2	Goodwill	0,00	0,00
3	Other intangible and legal assets	0,00	0,00
4	Advances on intangible and legal assets	0,00	0,00
<b>II</b>	<b>Tangible assets</b>	<b>0,00</b>	<b>0,00</b>
<b>1</b>	<b>Fixed assetse</b>	<b>0,00</b>	<b>0,00</b>
	a) land (including the right to perpetual usufruct)	0,00	0,00
	b) buildings, premises and land and water engineering objects	0,00	0,00
	c) machinery and equipment	0,00	0,00
	d) means of transport	0,00	0,00
	e) Other fixed assets	0,00	0,00
2	Fixed assets under construction	0,00	0,00
3	Advances for fixed assets under construction	0,00	0,00
<b>III</b>	<b>Long-term receivables</b>	<b>0,00</b>	<b>0,00</b>
<b>1</b>	<b>From related entities</b>	<b>0,00</b>	<b>0,00</b>
2	From other entities	0,00	0,00
<b>IV</b>	<b>Long-term investment</b>	<b>0,00</b>	<b>0,00</b>
<b>1</b>	<b>Real estate</b>	<b>0,00</b>	<b>0,00</b>
2	Intangible and legal assets	0,00	0,00
3	Długoterminowe aktywa finansowe	0,00	0,00
	Long-term financial assets	0,00	0,00
	- shares	0,00	0,00
	- other securities	0,00	0,00
	- loans given	0,00	0,00
	- other long-term financial assets	0,00	0,00
	b) in other entities	0,00	0,00
	- shares	0,00	0,00
	- other securities	0,00	0,00
	- loans given	0,00	0,00
	- other long-term financial assets	0,00	0,00
4	Other long-term investments	0,00	0,00
<b>V</b>	<b>Long-term periodical prepayments</b>	<b>0,00</b>	<b>0,00</b>
<b>1</b>	<b>Differed income tax assets</b>	<b>0,00</b>	<b>0,00</b>
2	Other periodical prepayment assets	0,00	0,00
<b>B</b>	<b>TURNOVER ASSETS (I+II+III+IV)</b>	<b>155 876,47</b>	<b>167 674,90</b>
<b>I</b>	<b>Inventories</b>	<b>0,00</b>	<b>0,00</b>
1	Materials	0,00	0,00

LIABILITIES		31 March 2016	31 March 2015
A	EQUITY	(228 429,74)	(227 970,15)
2	Semi-finished products and work in progress goods	0,00	0,00
3	Finished products	0,00	0,00
4	Goods	0,00	0,00
5	Advances on deliveries	0,00	0,00
II	Short-term receivables	42 629,00	40 283,00
1	Receivables from related entities	0,00	0,00
	a) trade payables by maturity:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
	b) other	0,00	0,00
2	Receivables from other entities	42 629,00	40 283,00
	a) trade payables by maturity:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
	b) Taxes, subsidies, duties, social security and health cover contributions and other benefits	42 629,00	40 283,00
	c) other	0,00	0,00
	d) pursued in court	0,00	0,00
III	Short-term investments	113 247,47	127 391,90
1	Short-term financial assets (a-c)	113 247,47	127 391,90
	a) in related entities	0,00	0,00
	-shares	0,00	0,00
	- other securities	0,00	0,00
	- loans given	0,00	0,00
	- other short-term financial assets	0,00	0,00
	b) in other entities	0,00	0,00
	-shares	0,00	0,00
	- other securities	0,00	0,00
	- loans given	0,00	0,00
	- other short-term financial assets	0,00	0,00
2	assets in cash and in cash equivalents	113 247,47	127 391,90
	- cash in hand and in bank accounts	113 247,47	127 391,90
	- other cash assets	0,00	0,00
	- other financial assets	0,00	0,00
3	Other short-term investments	0,00	0,00
IV	Short-term prepayments	0,00	0,00
	TOTAL ASSETS	155 876,47	167 674,90

( PLN )



1	Share capital	50 000,00	50 000,00
2	Called up share capital (negative value)	0,00	0,00
3	Own shares (negative value)	0,00	0,00
4	Reserve capital	0,00	0,00
5	Revaluated capital	0,00	0,00
6	Remaining reserve capital	0,00	0,00
7	Profit (loss) from previous years	(277 970,15)	(279 053,72)
8	Net profit (loss)	(459,59)	1 083,57
9	Deductions from net profit during the turnover year (negative value)	0,00	0,00
<b>B</b>	<b>LIABILITIES AND PROVISIONS FOR LIABILITIES (I+II+III+IV)</b>	<b>384 306,21</b>	<b>395 645,05</b>
<b>I</b>	<b>Provisions for liabilities</b>	<b>0,00</b>	<b>0,00</b>
<b>I</b>	Provision for differed income tax	0,00	0,00
<b>Z</b>	Provisions for pensions and similar benefits	0,00	0,00
	- long-term	0,00	0,00
	- short-term	0,00	0,00
<b>S</b>	Other provisions	0,00	0,00
	- long-term	0,00	0,00
	- short-term	0,00	0,00
<b>II</b>	<b>Long-term liabilities</b>	<b>0,00</b>	<b>0,00</b>
<b>I</b>	Due to related entities	0,00	0,00
<b>Z</b>	Due to other entities (a-d)	0,00	0,00
	a) loans and credits	0,00	0,00
	b) in respect of the issuance of debt securities	0,00	0,00
	c) other financial liabilities	0,00	0,00
	d) other	0,00	0,00
<b>III</b>	<b>Short-term liabilities</b>	<b>384 306,21</b>	<b>395 645,05</b>
<b>I</b>	Due to related entities	384 306,21	395 645,05
	a) trade payables by maturity:	7 211,58	18 550,42
	- up to 12 months	0,00	0,00
	- over 12 months	7 211,58	18 550,42
	b) other	377 094,63	377 094,63
<b>Z</b>	To other entities	0,00	0,00
	a) loans	0,00	0,00
	b) in respect of the issuance of debt securities	0,00	0,00
	c) other financial liabilities	0,00	0,00
	d) in respect of supplies and services by maturity:	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
	e) advances received towards supplies	0,00	0,00
	f) promissory notes payable	0,00	0,00

	g) in respect of taxes, duties, insurances and other benefits	0,00	0,00
	h) in respect of remuneration	0,00	0,00
	i) other	0,00	0,00
<b>3</b>	Special funds	0,00	0,00
<b>IV</b>	Accruals	0,00	0,00
<b>1</b>	Negative goodwill	0,00	0,00
<b>Z</b>	Other accruals	0,00	0,00
	- long-term	0,00	0,00
	- short-term	0,00	0,00
	<b>Total Liabilities</b>	<b>155 876,47</b>	<b>167 674,90</b>

Person entrusted with the bookkeeping

Elżbieta Szustkowska

Wrocław, this 30<sup>th</sup> day of June 2016

Prezes Zarządu  
 Remco Blaauw

## ADDITIONAL INFORMATION (NOTES)

### NOTES TO THE PROFIT AND LOSS ACCOUNT

#### 1. Territorial and material sales revenues from sales of products, goods and materials

Revenues from sales of products, goods and materials do not occur.

#### 2. Over the period from 1/04/2015 to 31/03/2016 the costs incurred to produce by own endeavours fixed assets in construction and fixed assets for own needs (in PLN).

The Company did not incur any costs for the production of fixed assets by its own for its own needs.

#### 3. Other operating income

	<b>12 months to 31 March 2016 PLN</b>	<b>12 months to 31 March 2015 PLN</b>
Profit on sales of non-financial fixed assets	0,00	0,00
The remaining	11 641,93	11 626,93
	<b>11 641,93</b>	<b>11 626,93</b>

#### 4. Other operating expenses

	<b>12 months to 31 March 2016 PLN</b>	<b>12 months to 31 March 2015 PLN</b>
The others	430,50	0,09
	<b>430,50</b>	<b>0,09</b>

#### 5. Financial income

	<b>12 months to 31 March 2016 PLN</b>	<b>12 months to 31 March 2015 PLN</b>
Remaining interest gains	293,97	817,96
Exchange gains	0,00	607,38
The others	0,00	0,00
	<b>293,97</b>	<b>1 425,34</b>

#### 6. Financial costs

	<b>12 months to 31 March 2016 zł</b>	<b>12 months to 31 March 2015 zł</b>
Budget interest	0,00	0,00
Other interest	0,00	0,00
Exchange losses	311,97	13,43
The others	0,00	0,00
	<b>311,97</b>	<b>13,43</b>

#### 7. Extraordinary profits and losses

The extraordinary profits and losses have not occurred.

## 8. Income tax

The settlement of the main items differentiating the tax base with the income tax on the financial result

gross	12 months to	12 months to
	31 March 2016	31 March 2015
	PLN	PLN
<b>Gross profit/loss</b>	<b>(459,59)</b>	<b>1 083,57</b>
<i>Revenues that do not constitute taxable revenues</i>	<i>0,00</i>	<i>(607,38)</i>
<i>including:</i>	<i>0,00</i>	<i>(607,38)</i>
Foreign exchange gains		
Revenues from previous years constituting taxable income in the current year	0,00	0,00
<i>including:</i>	<i>0,00</i>	<i>0,00</i>
Realised foreign exchange gains		
<i>Not deductible costs</i>	<i>305,79</i>	<i>2,48</i>
<i>Including:</i>	<i>305,79</i>	<i>2,48</i>
Negative foreign exchange rate gains		
<i>The costs from previous years that are tax deductible in the current year</i>	<i>0,00</i>	<i>0,00</i>
<b>Taxable income (Tax loss)</b>	<b>(153,80)</b>	<b>478,67</b>
Deductions from income including: - losses from previous years	0,00	478,67
<b>Total deductions</b>	<b>0,00</b>	<b>478,67</b>
<b>Tax base (Tax loss)</b>	<b>(153,80)</b>	<b>0,00</b>
Income tax ( 19 % )	0,00	0,00
<b>Net profit/loss</b>	<b>(459,59)</b>	<b>1 083,57</b>

### NOTES TO THE BALANCE SHEET

#### 9. Intangible and legal assets – change in the financial period

The Company does not have any intangible and legal assets.

#### 10. Fixed assets – change in the financial period

The Company does not have any fixed assets.

#### 11. Own land and land in perpetual usufruct

The Company does not own land and does not keep land in perpetual usufruct.

#### 12. Inventories

The company does not keep any stocks.

### 13. Short-term receivables

#### 13.1. Receivables from taxes, subsidies, customs duties, social and health insurance and other benefits

	31 March 2016	31 March 2015
	PLN	
PLN		
Corporate tax	0,00	0,00
Value added tax VAT	42 629,00	40 283,00
Total receivables (gross)	42 629,00	40 283,00
Impairment losses on receivables	0,00	0,00
<b>Total receivables (net)</b>	<b>42 629,00</b>	<b>40 283,00</b>

### 14. Short-term investments

	31 March 2016	31 March 2015
	PLN	
Cash in hand	62,80	62,80
Cash at bank accounts	113 184,67	127 329,10
<b>Total cash and cash equivalents</b>	<b>113 247,47</b>	<b>127 391,90</b>

### 15. Short-term prepayments

The short-term prepayments do not occur.

### 16. Share capital

	12 months to 31 March 2016	12 months to 31 March 2015
	PLN	
<b>Balance at the beginning of the financial year</b>	<b>50 000,00</b>	<b>50 000,00</b>
Increase	0,00	0,00
Decrease	0,00	0,00
<b>Balance at the end of the financial year</b>	<b>50 000,00</b>	<b>50 000,00</b>

According to the entries in the share capital ledger the share capital of the Company at the balance sheet date amounted to 50 000,00 and was divided into 100 equal shares with the nominal value of PLN 500.00 each and consisted the property of foreign corporate owners

On the balance sheet date, the Company's shareholders holding more than 5% votes were:

	Number of shares	% votes
Tata Stell Nederland Tubes B.V.	98	98
	<b>98</b>	<b>98</b>

### 17. Equity: reserve and reserves – changes during the financial year

The company does not have any reserve capital

### 18. Financial result

Net loss for the financial year from 01/0/2015 to 31/03/2016 amounted to PLN 459,59 and according to the proposal of the Management Board the loss shall be covered from future profits.

### 19. Short-term liabilities

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**19.1 Amounts due to related entities by maturity**

	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>PLN</b>	<b>PLN</b>
Overdue payables	7 211,58	18 550,42
	<b>7 211,58</b>	<b>18 550,42</b>

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**19.2 Other payables from related entities**

	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>PLN</b>	<b>PLN</b>
Loan	377 094,63	377 094,63
	<b>377 094,63</b>	<b>377 094,63</b>

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**19.3. Liabilities to other entities by maturity**

No liabilities to other entities exist.

**20. Events that occurred after the balance sheet date that were not included in the financial statements**

There were no significant events effecting the financial situation and financial position of the Company after the balance sheet date to the date of signing the financial statements.

**21. Significant events from previous years disclosed in the financial statements of the financial year**

There were no significant events in previous years that should be included in this year's statements.

**22. Changes in the accounting principles (policy) introduced in the fiscal year, including valuation methods and changes in the method of preparation of the financial statements if they reflected significant impact on the financial position and the Company's financial result, their causes and due to changes, the amount of profit or loss and the equity.**

Accounting principles (policy) adopted by the Company were applied consistently and they are consistent with the accounting policies applied in previous financial year.

**23. Transaction with capital related companies that are not included in the consolidated financial statements**

There have been no transactions with capital related companies.

**24. Remuneration, including profit sharing, paid or payable to persons that are members of the management and supervisory boards**

No salaries were paid to the board members in the financial year.

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

No loans were granted to management and supervisory boards of the Company in the financial year.

Person entrusted with the bookkeeping  
Elzbieta Szustkowska

Chairman of the Board  
Remco Blaauw

Wrocław, this 30<sup>th</sup> day of June 2016

**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.**