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**S.A.B.Profil GmbH,
Niederaula**

Report on the Audit of the Annual
Financial Statements
as on 31 March 2017

NOTE:

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- 1 Management Report and Financial Statements as well as the Auditor's Report**
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General Terms and Conditions for Auditors and Audit Firms

We would point out that use of rounded-off values and percentage on account of commercial rounding may result in differences.

1 Audit Contract

By resolution of the shareholders' meeting of July 6, 2016, the

**S.A.B.Profil GmbH,
Niederaula**

- hereinafter also referred to as "S.A.B" or "company"

we were selected as auditors for the 2017 fiscal year. Upon this resolution the management of the Company engaged us on contract to perform the audit for the 2017 fiscal year in accordance with § 317 of HGB.

We confirm in accordance with § 321 para. 4a of the HGB, that in the course of our audit we complied with the appropriate regulations of independence.

We prepared the present audit report in due accordance with German basic principles for reporting on the audit of financial statements (auditing standard of the Institute of Public Auditors - IDW PS 450).

The agreements reached on 30 March/ 6 April 2017 as well as the ones enclosed as "General Terms and Conditions for Auditors and Audit Firms" as amended on 1 January 2017 will be valid for the implementation of this contract and our responsibilities, also in relation to third parties.

This audit report has been prepared only for documenting the audit performed on the financial statements of the Company and not for the purpose of any third party in relation to whom we assume no liability according to the legal status defined by § 323 of the HGB.

2 Basic Findings

Evaluation of the Management's Assessment of the Company's Position

From the financial statements and the management report of the Executive Board of the Company as well as from other documents audited, we highlight the following aspects, which are particularly relevant in assessing the financial status of the Company:

- Enhancement of income from operations from 117 thousand EURO to 776 thousand EURO through steady sales revenue

A total of 26,651 thousand EURO of sales revenue was generated at the previous year's level (26,652 thousand EURO). Thus, the distinct drop in the tonnage sold by 6.2% to 33,813 tonnes was compensated by an increase in average sales price by 6.5%. The increase in the average sales price was achieved by passing on of the rise in market prices to customers and by focussing on the sale of more higher-margin products.

Due to the fact that procurement prices have declined disproportionately, the material expenditure ratio has fallen from 85.2% to 82.5%. Had the operating expenditures remained constant, income from operations would have increased from 117 thousand EURO to 776 thousand EURO.

On the whole, the expectations with reference to sales and income from operations could not be matched up with due to the declining sales volume. As a result, the management of the Company summarizes its assessment of the position of the Company as improved, but not yet satisfactory.

- Slight increase in the balance sheet total and further improvements in liquidity

The increase in the balance sheet total by 1,380 thousand EURO, to 20,777 thousand EURO is primarily due to the increase in receivables from affiliated companies (14,417 thousand EURO; previous year 12,343 thousand EURO), which mainly comprise receivables from intra-group Cash Pooling (14,274 thousand EURO; previous year 12,284 thousand EURO). This increase is due to the positive cash flow, which resulted from the reduction in other assets simultaneously with the increase in liabilities. In addition, there were positive effects from the current non-cash write-off, without the need for investments in the year under review.

- Expected increase in sales revenues and income from operations against the backdrop of an overall positive economic development

In the light of continuing positive expectations for economic developments, especially in the construction sector, and the current order inflow, the management expects sales revenue of 29.1 million EURO and an income of 473 thousand euro from operations for the coming financial year. This is in line with an increase in sales revenues by 8.9%. At the same time, an increase in material expenditures is expected, resulting in a decline in income from operations by 303 thousand EURO.

In conclusion, in accordance with Section 321 (1) Sentence 2 of German Commercial Code (HGB), we can conclude that we regard the assessment of the Company's position by the management, especially the assumption of the growing business activities and the assessment of the future development of the Company, as expressed in the financial statements and the management report, as reasonable.

Concerning the evaluation of the situation we also refer to our comments on the overall financial statements of the Company in section 5.2 of our report.

3 Reproduction of the Audit Report

We have the annual financial statements and the management report of the S.A.B for the fiscal year 2017. Profil GmbH, Niederaula, issued the following unqualified audit opinion signed on 28 June 2017 as amended by Appendix 1:

Auditor's Report

We have audited the annual financial statements of S.A.B. Profil GmbH, Niederaula, comprising the balance sheet, the income statement and the notes, together with the accounting and the management report of the Company for the fiscal year from 1 April 2016 to 31 March 2017. As per German commercial law, the responsibility of preparing the accounting records, the annual financial statement and the management report lies with the Company. Our responsibility is to express an opinion, based on our audit, about the annual financial statements involving accounting, and about the management report.

We have conducted the audit of the annual financial statement in accordance with § 317 of the German Commercial Code (HGB) and complied with the basic principles for the audit of financial statements published by the Institute of Auditors (IDW). Those standards require that we plan and perform the audit in such a way that the inaccuracies and violations affecting the presentation of the annual financial statements in compliance with German basic principles of proper accounting and in the declaration of assets, financial position and profit situation through the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal setting of the Company as well as expectations as to possible misstatements have been taken into account in the determination of the audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the accounts book, annual financial statements and management report have been examined primarily on a sample basis within the framework of the audit. The audit includes an assessment of the accounting principles used and the basic estimates of management and an evaluation of the overall presentation of annual financial statements and management report. We believe that our audit provides an adequately reasonable basis for our evaluation.

Our audit has not given rise to any objection.

Based on the findings of the audit, we are of the opinion that the annual financial statements of S.A.B. Profil GmbH, Niederaula, are in compliance with statutory regulations and provide a true and fair view of the Company's assets, financial position and profit situation in accordance with the principles of proper accounting. The management report is consistent with the annual financial statements, complies with the German statutory requirements, and as a whole provides a suitable view of the Company's position and presents the opportunities and risks involved in future development.

4 Subject, Nature and Scope of the Audit

Subject of the Audit

The subject of our audit of the financial statements encompassed

- the accounting records
- the annual financial statements (consisting of balance sheet, profit and loss statement and notes to the financial statements)
- the management report of the Company.

As per German commercial law, the management of the Company is responsible for the accounting and the preparation of financial statements and management report. This also applies to the information we received concerning these documents. Our task is to assess these documents and information as part of our statutory audit.

The examination of compliance with other regulations is only part of the task of audit so far as they might commonly impact the annual financial statements or the management report.

Nature and Scope of the Audit

The starting point for our audit was the previous year's audited financial statements, which we have audited and submitted with an unqualified audit opinion on 24 June 2016; it was established on 6 July 2016.

The audit was carried out by us intermittently in the months of April to June 2017.

We have conducted the audit according to § 317 of the German Commercial Code (HGB) and complied with the German basic principles for the audit of financial statements published by the Institute of Auditors (IDW).

The audit was arranged in accordance with § 317 German Commercial Code (HGB) in a problem-oriented way so that any significant inaccuracy or violation in terms of accounting requirements is detected with sufficient reliability. To meet the requirements we adopt a risk- and process-oriented audit approach for the implementation of which we use our audit software, Engagement Management System (EMS). It facilitates the planning, implementation, and documentation of the audit.

According to Section 317 (4a) of the German Commercial Code (HGB), the statutory audit does not cover whether the continued existence of the audited entity or the effectiveness and profitability of the management can be assured.

In course of the audit planning we got an overview of the business activities, the economic and legal setting of the Company and their accounting, made an analytical review of the annual financial statements and got an insight into the partnership agreement and shareholders' resolutions. The audit strategy was developed by us according to the knowledge acquired by this and the expectations reached concerning potential errors. We have examined the internal audit system of the Company so far as it is relevant for proper accounting. The internal control system as a whole was not a subject of our audit.

We have examined the adequacy and, where appropriate, effectiveness of the internal audit procedures of the Company that were identified as relevant to our audit plan. We were able to reduce our statement-based audits (analytical audits and individual case studies of selected transactions and stocks), insofar as these audits were considered to be effective. In all other cases, we have carried out statement-based audit procedure as per our risk assessment on a no reduction scale. For audit of individual cases, we have obtained evidence through a deliberate selection or with the help of sampling procedures.

The following priorities were set for our audit:

- Proof and period-end accrual of sales revenues
- Inventory and value of receivables
- Inventory and valuation of stocks
- Completeness and valuation of other provisions
- Completeness as well as identification and comprehensibility of the disclosures in the management report

In order to assess the correctness of the Company's accounting, we have had an overview of the arrangement of its accounting system and undertaken the necessary structure- and function checks, particularly in connection with the essential audit measures implemented therein.

The Company conducts inventory of stocks through annual stock-checking. We have participated in the taking of inventory.

As part of the audit of receivables, liabilities and credit balances with banks as well as other provisions of the Company, we have received confirmation of balance from selected customers and suppliers as well as confirmations of credit, claims and liabilities of the Company from all credit institutions and all lawyers and tax consultants of the Company.

We have evaluated future-oriented statements in the management report in a context of the annual financial statements for credibility and consistency with data received during the audit.

The management has provided all the necessary clarifications and proofs and has delivered on 28 June 2017 the official declaration of completeness in written. It is particularly assured that all required transactions are reflected in the accounting records, and the annual financial statement takes into account all assets, debt obligations (liabilities, risks, etc.), accruals and deferrals as well as other provisions that need to be shown on the balance sheet. All expenses and revenues have been presented and specified information provided.

5 Findings and Disclosures concerning Accounting

5.1 Correctness of Accounting

5.1.1 Accounting records and other Audited Documents

The accounting records comply with the legal requirements, including the basic principles of proper accounting. The information to be extracted from the other audited documents is duly recorded in the books and records, the annual financial statements and the management report.

5.1.2 Annual Financial Statements

The financial statements as of 31 March 2017 is attached as annexures 1.2 to 1.4 to the present report.

The financial statements were duly derived from the accounting records and other audited documents. The legal requirements regarding classification, drawing up of balance sheet and assessment as well as those concerning the notes to the financial statements were observed.

5.1.3 Management Report

The management report for the fiscal year 2017 is appended to this report as Annexure 1.1.

As per findings of our audit, the management report complies with the legal requirements. The management report is consistent with the annual financial statements and the findings of the audit and as a whole provides a suitable view of the Company's position. The significant opportunities and risks in relation to future development are correctly presented in the management report. The disclosures in accordance with Section 289 (2) of the German Commercial Code (HGB) are complete and correct.

5.2 Overall Conclusion on the Financial Statements

5.2.1 Findings regarding the overall conclusion on the financial statements

We refer to the following Explanatory Notes to the overall presentation of the financial statements. On the whole, the financial statements, i.e. the combination of balance sheet, profit- and loss account and notes to the financial statements, provide a true and fair view of the Company's net assets, financial position and profit situation while complying with the basic principles of proper accounting.

5.2.2 Notes on the Overall Conclusion on the Financial Statements

The following provides a description of the key principles of evaluation and measures taken in terms of styling of facts.

Basic Principles of Valuation

Following the lowest value principle raw materials (steel coils) are reported individually at acquisition cost. Coils with a storage period of more than two years are devalued to the scrap price on the balance sheet date, resulting in a depreciation of inventories by 42 thousand euro (previous year: 82 thousand EURO).

The manufacturing costs of the finished products are determined by the Company by simplifying retrograde due to the small production depth. An all-inclusive gross margin of 5% is deducted from the sales prices, which eliminates the subsequent marketing cost and general administrative expenses as well as the profit margin from the balance sheet. Components of the production costs then mainly comprise material- and individual production costs, but also necessary share of overhead costs. As of the balance sheet date, the inventories are analyzed with a view to a loss-free valuation.

In cases of complaints from customers, a provision for claim has been fixed at a flat rate of 0.5% of the sales revenues, based on the experience gained in the past. The provision is 134 thousand EURO (previous year: 134 thousand EURO). Known individual risks arising out of complaints are recorded separately.

Grooming Transactions

The company is financed mainly by way of intra-group cash pooling at the Commerzbank. Against this backdrop, the company has only a few holdings of liquid assets. The cash pool receivable against the cash pool leader amounted to 14,274 thousand EURO as of the balance sheet date, compared to 12,284 thousand EURO in the previous year.

5.3 Declaration of assets, liabilities, financial- and

profit situation - Multiple year overview

		2016/2017	2015/2016	2014/2015	2013/2014	
		2012/2013				
Sales Revenues	Thousand EURO	26,651	26,652	29,150	32,014	31,466
Material Intensity ¹⁾	%	82.5	85.2	86.7	85.0	83.0
EBIT ²⁾	Thousand EURO	776	117	-12	1,169	1,571
EBITDA ³⁾	Thousand EURO	1,266	611	514	1,623	1,950
Number of employees (§ 267 para. 5 of the German Commercial Code or HGB)						
HGB (German Commercial Code)	Quantity	33	32	32	32	32
Turnover per employee	Thousand EURO	808	833	911	1,000	983
Profit or loss for the financial year	Thousand EURO	544	86	-12	833	1,137
Balance sheet total	Thousand EURO	20,777	19,397	19,672	19,516	17,875
Equity Ratio	%	82.5	85.6	83.9	84.7	87.8
Profit-Turnover Ratio	%	2.0	0.3	0.0	2.6	3.6
Return on Equity	%	3.2	0.5	- 0.1	5.0	7.2
Return on Total Capital	%	2.6	0.4	- 0.1	4.3	6.4

¹⁾ Material intensity = Material costs / sales revenue

²⁾ EBIT = Earnings before Interest and Tax (net profit or loss before interest results and income taxes)

³⁾ EBITDA = Earnings before Interest, Tax, Depreciation and Amortization (net profit or loss before interest results and income taxes, depreciation and amortization of goodwill)

6. Final remark

We have made the abovementioned report on our audit of the annual accounts and management report for fiscal year 2017 of S.A.B. Profile GmbH, Niederaula, in accordance with the legal ordinances and German standards of proper information during the audit (auditing standard of the Institute of Public Auditors- IDW PS 450).

We refer to section 3 "reproduction of audit certificate" for the unqualified auditor's opinion issued by us

Düsseldorf, dated 28th June 2017

Deloitte GmbH
Audit firms

(Signature)
(Graetz)
Auditor

(Signature)
(Meyer)
Auditor

Stamp: Deloitte GmbH
Audit firm Seal
Munich Branch
Düsseldorf

PLEASE NOTE: This PDF file of the test report is merely a non-mandatory inspection copy. The test report, which has been prepared and delivered exclusively on paper, is considered to be relevant.

A prior renewed statement from us will be required for publication or reproduction of the annual account and/ or the management report in a form deviating from the tested version as well as for translating in another language, in case the audit certificate issued by us will be cited in the process or information on our annual audit will take place; we refer to the provisions of § 328 HGB for this purpose.

**S.A.B.Profil GmbH,
Niederaula**

Management Report and
Financial Statements as of 31
March 2017
as well as audit certificate

S.A.B.Profil GmbH, Niederaula
Management report for the financial year 2016/2017

A. General Information on the Company

The S.A.B.Profil GmbH is a wholly-owned subsidiary of S.A.B-profil bv, Ijsselstein / Netherlands, and an affiliate of TATA Steel Ltd., Mumbai / India, which is part of the Corus Group, which was acquired by the Tata Group in 2007. Tata Group means TATA Steel Ltd., Mumbai / India and all affiliates related to it. Organizationally, the S.A.B. Profil GmbH is incorporated into the business unit Tata Steel Building Envelope.

The focus of the Company's business activity is on the production of steel trapezoidal sheets, strongboxes, corrugated sheets and edge components. These products are sold to the construction industry, especially in Germany, exclusively through a limited number of dealers. Our entire product range comprises absolutely commercial products, which are comparable to the products of competitors. Our business is dependent on developments in the construction industry because the Company produces finished products for the building industry.

B. Presentation of the Business Development and the Position of the Company

I. General conditions, Business Development and Business

Performance Development of the Overall Economy and Industry

In the calendar year 2016, the German economy as a whole proved to be by and large stable. After the seasonal price adjustments the Gross Domestic Product (GDP) was 1.9% higher than that in the previous year. In the previous year, GDP grew somewhat more slowly (in 2015, by 1.54%). The stable consumer behaviour of private households and the national budget contributed to the positive development. In addition to that was the positive development of capital investment, particularly in building industry. According to provisional calculations, however, growth was somewhat retarded by external economic developments. In the first quarter of 2017, the momentum of the German economy was thwarted, so that the forecasts for the growth rate were revised downwards by 1.4%.

The IFO business climate index for Germany's commercial economy remains positive in April 2017. The German economy remains in a moderate upturn. The overall positive development of the situation is due to the growing global economy, the domestic economy, the boom in construction industry and a stable overall economic situation.

The monthly report for May 2017 published by the Federal Ministry of Economics describes an acceleration in the upswing of German economy in spring, especially by the economic situation favourable to construction industry. The construction business and the industry show significant growth in production for the first quarter, which also benefits from catch-up effects. According to the assessment of the Federal Ministry of the Interior, domestic sales is the most crucial factor behind this. Domestic business still grows considerably more strongly than foreign trade. A distinct expansion of German exports is currently not foreseeable.

For the year 2017, the Federal Association of Building Materials also describes a favorable economic situation for the building materials sector. According to the assessment of the Association, the production of building materials in 2017 is expected to grow by about 2% with seasonal price adjustments.

Production and Sales 2016/2017

The purchase and supply policy is shaped by the exclusive supply of steel coils by the Tata group affiliate Tata Steel Colors.

There have been no major changes in product and assortment policy compared to the previous year. The size and structure of our 18 different core products (profiles) have not changed compared to the previous year.

As a result, the order situation and sales were at the same level as the previous year. Although the tonnage sold declined by 6.2%, the average sales price increased by 6.5%, so that nearly the same turnover as in the previous year can be accounted for.

Procurement and Production 2016/2017

The raw material price level in the past financial year was above the level of its previous year. As a result, our average purchase prices rose by an average of 3.2% compared to the previous year. Due to the fact that the increase in average purchase price was lower than the increase in average sales price, the material cost ratio, as a ratio of material costs to sales, decreased from 85.2% in the previous year to 82.5%.

Purchasing of materials is carried out exclusively intragroup.

The capacity utilization of the Niederaula production facility declined in line with the decrease in sales volumes.

Investment and Funding

In the financial year, there was no need for investment.

S.A.B Profil GmbH is responsible for the financing of day-to-day business for which purpose it has participated in the cash-pool system of Tata Steel Germany GmbH, Dusseldorf. As of the balance sheet date, the Company generated cash-pool receivables of 14,274 thousand euro due to the positive profit situation. (Previous year: 12,284 thousand euro). The main cause of the positive operational cash flow during the financial year was ongoing depreciation and an increase in liabilities to affiliated companies.

Personnel

In fiscal year 2016/2017 the number of employees in the production division increased by 22 and in management and sales divisions by 11 full-time employees. Peak production time and / or underutilization are handled by S.A.B Profil GmbH with temporary workers.

Environmental Issues

There are no specific environmental requirements or issues.

II. Position of the Company

1. Asset Status

As of the balance sheet date, the balance sheet total amounted to 20,777 thousand euro compared to 19,397 thousand euro in the previous year.

The actual net worth of the Company is characterized by property, plant and equipment (2,692 thousand euro, previous year: 3,182 thousand euro), the stock of inventories (2,180 thousand euro, previous year: 2,110 thousand euro), trade receivables (1,410 thousand euro, previous year: 1,114 thousand euro) and receivables from affiliated companies (14,417 thousand euro, previous year: 12,343 thousand euro), which mainly relates to intragroup cash-pooling.

Due to annual depreciation the tangible fixed assets declined by 490 thousand euro, while no investments were made.

The stock of Inventories rose by about 3% compared to the previous year. The inventory-turnover ratio (sales revenues / inventories) therefore decreased from 12.6 to 12.2 days.

Receivables from affiliated companies increased by 2,074 thousand euro and therefore more than compensated for the reduction in fixed assets. The increase is mainly due to the cash-pool receivables. In addition to this, trade receivables increased by 296 thousand euro to 1,410 thousand euro as of the balance sheet date.

A reduction in other assets of 472 thousand euro resulted from the disbursed claims for reimbursement against financial authorities in relation to taxes on income and profit.

The equity ratio declined from 85.6% to 82.5%, with an annual net profit of 544 thousand euro.

Compared to the previous year, other provisions rose by 84 thousand EURO to 503 thousand euro and mainly include provisions for complaints, deferred maintenance and personnel provisions. The increase results from the doubling of the provision for deferred maintenance.

Liabilities increased altogether by 512 thousand euro to 2,880 thousand euro. Trade payables increased by 107 thousand euro to 212 thousand euro as well as liabilities to affiliated companies by 297 thousand euro to 2,381 thousand euro, and other liabilities by 108 thousand euro to 287 thousand euro.

2. Financial Situation

Our company is involved in the cash-pooling of Tata Steel Germany GmbH, which resulted in a receivable of 14,274 thousand euro in the year under review, a significant rise in comparison with the previous year (12,284 thousand euro). The amount of liquid assets decreased by 99 thousand euro to 23 thousand euro. The main reasons for the improvement in liquidity are the reduction in other assets as compared to the previous year and the increase in liabilities. Due to the non-cash depreciation of non-requisite investment volumes, there is an additional positive influence on the basis of the net profit for the year on the Company's liquidity. In net terms, the cash-pool increased by 1,990 thousand euro, while liquid assets decreased by 99 thousand euro.

The Company therefore still has a comfortable liquidity structure.

3. Profit Situation

In the 2016/2017 financial year, the level of revenues generated remained virtually unchanged from the previous year. As compared to the previous year, in which 26,652 thousand euro could be achieved, sales in the financial year were only slightly reduced by 1 thousand euro to 26,651 euro. The sales volume decreased by 2,239 tonnes (6.2%) to 33,813 tonnes (previous year: 36,052 tonnes). The average sales price has increased by 6.5%. In comparison with the previous year, the average price level per tonne increased by 9.46%. As a result, the decline in volume could be almost offset by a price level increase.

On account of a disproportionately increased purchase price, the declining material costs ratio of 82.5% (previous year: 85.2%), could secure a gross profit (sales revenues plus / minus change in inventories and less material costs) of 4,695 thousand euro (previous year: 3,950 thousand euro). The personnel expenditure could be slightly reduced.

Other operating expenditures rose slightly.

The income from operations amounting to 776 thousand euro (previous year: 117 euro) fell short of expectations as a result of significantly lower sales revenues than projected.

With the generation of a net profit for the year of 544 thousand EURO (previous year: 86 thousand euro), the return on sales (annual result in relation to sales) in the year under review increased by 2.0% (previous year: 0.3%).

The forecast from the previous year's report proved too optimistic. The targeted sales revenue of 31 million euro and the expected pre-tax operating profit of 1,200 thousand euro could not be achieved. This was primarily due to the decline in sales volumes.

4. Overall Statement on the Situation

On the whole, the management assesses the Company's economic development as improved, but not yet satisfactory.

5. Financial Performance Indicators

Performance Indicators	2016/2017	Plan 2016/2017	Previou
Turnover million euro	26.7	31.0	26.6
OPERATING PROFIT BEFORE TAX	776	1,200	117

C. Foreseeable development as well as principle opportunities and risks in relation to future development

I. Prospective Development

Given the optimistic macroeconomic forecasts, we expect sales revenues to grow for the current financial year.

On the basis of accounting results for May 2017, the operating profit from the sales revenue of 4,357 thousand euro was -50 thousand euro before taxes. Both sales and income from operations were well below the budgeted figure in the first two months. The current trend is being assessed more positively, as order backlogs are rising at a constant price level. We therefore expect to achieve sales revenue of 29.1 million euro for fiscal year 2017/2018 and an operating profit before taxes amounting to 473 thousand euro.

For the fiscal year 2018/2019, sales revenue of 28.2 million euro and an operating profit of 607 thousand euro are envisaged in the planning phase. For the following years, we expect a stable operating profit in spite of slightly declining sales.

II. Principal Opportunities and Risks in relation to Future

Development Opportunities and Success Potential

Due to the slightly improved business outlook, the short-term opportunities are to be assessed as mildly optimistic. The purchase of raw materials from affiliate companies instead of external suppliers makes it possible to react towards the shift in the market with flexibility and particularly to achieve a more favourable procurement price through increased volume of purchase within the network of affiliated companies.

The excellent liquidity situation provided by the cash-pool creates stable internal framework parameters and allows for a high degree of flexibility in entrepreneur business activities, such as through larger purchases on favourable occasions.

Risks involved in Future Development

Our business activities continue to depend directly upon the development in the field of construction industry, because our Company exclusively produces finished metal products for the building industry. Moreover, due to the commercial nature of our product range, there is a fundamental risk of competition. This risk is classified as significant. A risk related to the procurement market may occur if the raw material deteriorates. The risk of bad debts is covered by a credit insurance.

Besides, the following potential risks may affect the future financial, asset and income situation adversely:

- A furthermore vulnerable economic environment that is to be expected for the fiscal year 2017/18 and subsequent periods and that can grow weaker very rapidly.
- risk involving financial policies, which have a crucial impact on the functioning of the monetary system, due to the instability of the euro resulting from ongoing sovereign debt crisis
- risks that affect the long term value maintenance of the cash-pool by permanently weakening the liquidity situation of the cash-pool leader

The risks identified are currently not judged as threat to the continuing existence of the Company.

Reliability of the planning system of the company's internal data, external sources and the statements made on the basis of it

Within the framework of our monthly financial statements and our monthly reporting system, all company-relevant data are communicated and verified at regular, monthly meetings. Additional external data can be used by the group network, which increases the meaningfulness even further. Appropriate measures have been taken for detection, analysis and communication of risks.

In the course of monthly meetings, the Company's senior executives and managers analyze the economic development of the Company. The outcomes of the meetings are communicated to the parent company.

D. Supplementary Report

With regard to the reporting on material transactions of particular significance after the balance sheet date, please refer to the relevant section in the notes.

Niederaula, June 28, 2017

Management

Vermeulen

S.A.B.Profil GmbH, Niederaula

Balance sheet as on 31

Assets	31.3.2017	previous year	Liabilities	31.3.2017	previous year
	Euro	thousand euro		euro	thousand euro
A. Capital Assets			A. Equity		
I. Intangible assets			I. Subscribed capital	30,000.00	30
Purchased software	1.40	0	II. Capital reserve	76,591.22	77
II. Tangible assets			III. Undistributed net profit	16,488,813.34	16,402
1. Buildings on third party land	1,897,010.85	(2,117)	IV. Annual net profit	544,488.52	86
2. Technical equipment and machinery	793,918.55	1,062		<u>17,139,893.08</u>	<u>16,595</u>
3. Other equipment, production- and office facilities	1,177.77	3			
	<u>2,692,107.17</u>	<u>3,182</u>	B. Provisions		
	<u>2,692,108.57</u>	<u>3,182</u>	1. Tax Provisions	253,944.00	15
B. Circulating assets			2. Other provisions	<u>502,901.10</u>	<u>419</u>
I. Inventories				<u>756,845.10</u>	<u>434</u>
1. Raw materials, auxiliary and operating materials	1,959,730.09	1,914	C. Liabilities		
2. Finished products	<u>220,070.35</u>	<u>196</u>	1. Accounts payable	212,453.91	105
	<u>2,179,800.44</u>	<u>2,110</u>	thereof with a residual term of up to one year:		
II. Receivables and other assets			212,453.91 euro (previous year: 105 thousand euro)		
1. Accounts Receivable (trade debtors)	1,409,963.50	1,114	2. Liabilities to the affiliated companies.	2,381,327.50	2,084
2. Receivables from affiliated companies	14,416,605.91	12,343	thereof with a residual term of up to one year:		
3. Other assets	<u>45,251.82</u>	<u>516</u>	2,381,327.50 (previous year: 2,084 thousand EURO)		
	<u>15,871,821.23</u>	<u>13,973</u>	3. Other liabilities	286,629.76	179
III. Cash and deposits at credit institutions			thereof with a residual term of up to one year:		
	<u>23253.76</u>	<u>122</u>	286,629.76 about thousand euro (previous year: 178 thousand EURO		
	<u>18,074,875.43</u>	<u>16,205</u>	of which from taxes		
C. Accruals and deferred income			286,629.76 thousand euro (previous year: 178 thousand EURO		
	<u>10,165.35</u>	<u>10</u>		<u>2,880,411.17</u>	<u>2,368</u>
	<u>20,777,149.35</u>	<u>19,397</u>		<u>20,777,149.35</u>	<u>19,397</u>

S.A.B.Profil GmbH, Niederaula**Profit and Loss Account for the period from 1 April 2016 to 31 March 2017**

	2016/2017	Previous year
	<u>Euro</u>	<u>Thousand</u>
1.Sales Revenues	26,651,310.57	26,652
2.Increase in inventories of finished products	24,033.69	11
3.Other Company income	0.00	29
4.Material costs		
Expenses for raw materials and supplies	21,980,281.85	(22,713)
5.Personnel expenditures		
a) Wages and salaries	1,212,317.56	1,244
Social security contributions	252,362.21	257
6.Depreciation of intangible assets		
of fixed assets and property, plant and equipment	490,109.00	494
7.Other operating expenses	1,964,599.84	1,867
8.Taxes on income and profit	<u>230,826.92</u>	<u>31</u>
9.Profit after income taxes	544,846.88	86
10.Other taxes	<u>358.36</u>	<u>0</u>
11.Annual net profit	<u>544,488.52</u>	<u>86</u>

S.A.B.Profil GmbH, Niederaula
Notes to the general information on the

annual financial statements of the

financial year 2016/2017

Company	S.A.B. Profil GmbH
Headquarters	Niederaula
Registration Court	Bad Hersfeld
Commercial Register Number	German Commercial Code (HRB) 562

The annual financial statements of our Company for fiscal year 2016/2017 are drawn up in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Limited Liability Company Act. According to the size specified in § 267 of German Commercial law (HGB), the company is a medium-sized corporation. The provisions for the facilitation of § 288 (2) HGB were partially utilized.

As a result of the first-time application of the provisions amended by the German Accounting and Reporting Act (BilRUG), a comparison with the prior-year financial statements is only possible. If these provisions were applied in the previous year, sales revenues would have increased by 8 thousand EURO and other operating income by 8 thousand once.

Information on Accounting and Valuation Methods

Fixed assets

Intangible assets (excluding software) are recognized at acquisition costs and as per plan will be reduced by depreciation, taking into account a three-year useful life.

The **tangible assets** are valued as part of the acquisition or production cost (individual costs and appropriate parts of the material and production costs) and, where applicable, taking into account a planned depreciation. A useful life of 25 years was used as the basis for the production areas and storage buildings. The movable assets are amortized on a straight-line basis considering in each case the average useful life as the minimum duration of reliability. Operating and business equipment usually has a useful life of between three and five years, for plants and machinery the average duration is between five and seven years. Low - value tangible assets with acquisition costs of up to 150 euro are recognized directly as an expenditure, and the movable items of the fixed assets with costs between 150 euro and 1,000 euro are capitalized and amortized on a straight-line basis over 5 years.

Circulating Assets

The **Stocks** Are recognized at acquisition cost according to the individual cost principle (raw materials and supplies as well as goods) or to retrograde production costs (finished products), taking into account the strict lowest value principle. The production costs of the finished products included the individual costs, the overhead costs, the depreciation of manufacturing plants as well as administrative costs in the production and materials sector. Inventory risks resulting from storage periods or reduced usability are taken into account by corresponding devaluations.

The **receivables and other assets are stated on the balance sheet** at nominal values. All recognizable individual risks are taken into account by means of appropriate individual value adjustments.

Cash assets and bank balances are stated at nominal values.

Actual accruals and deferrals are reported for expenditures before the balance sheet date insofar as they represent expenditures for a certain period after this date.

Capitalization and netting out of deferred taxes

Deferred taxes calculated for the temporary valuation differences between commercial and tax-based accounting approaches, as far as it is required by § 274 of German Commercial Code (HGB).

The right of choice in not recognizing an active deferred tax on account of consequent tax relief as per section 274 (1) sentence 1 of German Commercial Code (HGB) is availed of.

Liabilities

The **subscribed capital** is valued at nominal value.

The **Tax provisions** include the taxes not yet assessed for commercial tax, corporation tax and solidarity surcharges for the current financial year. These are stated at nominal values.

The **other provisions** are recognized at par with the settlement amount, which is necessary according to sound commercial judgment and which take into account all recognizable risks and uncertain obligations.

The **liabilities** are passivated at the completion rate.

Items in the Profit and Loss Statement

In accordance with section 275 (2) of the German Commercial Code (HGB), the profit and loss statement is structured according to the aggregate cost method.

The realization of the sales revenues takes place when the services rendered are settled. Expenses are recognized at the time they are incurred. The principle of realization and the principle of demarcation on an accrual basis are taken into account.

The Company conducts its purchasing and sales transactions exclusively in EURO and has not recorded any foreign currency gains or loss in the fiscal year and prior year.

**Information on the
balance sheet of
fixed assets**

The break-down and development of the investment values is shown in the appendix to the notes.

In the year under review, there were no additions to fixed assets.

Circulating Assets

As in the previous year, trade receivables have a residual term of less than one year.

As in the previous year, receivables from affiliated companies are on the whole short-term and have resulted from trade receivables (143 thousand euro; previous year: 59 thousand euro) and services from financial transactions (14,274, thousand euro; previous year: 12,284 thousand euro). Receivables from affiliated companies include receivables from the shareholders amounting to 77 thousand euro (previous year: 28 thousand euro).

The other assets are significantly lower than in the previous year due to payment of the tax refund claims amounting to 455 thousand euro. The item also includes loans given to employees which bear interest at 1.5%, as well as a corporate tax credit of 0 thousand euro, (previous year: 5 thousand euro) which has a term of more than one year.

Equity

According to the Company agreement, the subscribed capital amounts to 30,000.00 euro. Capital reserves account for 77 thousand euro. The previous year's profit of 86 thousand euro was carried forward to the accumulated income.

In the year under review and the prior year, an adjustment was made within the equity capital between the capital reserve and the profit brought forward, amounting to 946 thousand euro (reduction in capital reserve, increase in profit brought forward), which actually corrected a misrecognition from previous years.

Provisions

The other provisions mainly include provisions for outstanding incoming invoices of 17 thousand euro (previous year: 40 thousand euro), for complaints of 134 thousand euro (previous year: 134 thousand euro), personnel-related provisions of 89 thousand euro (previous year: 74 thousand euro), provisions for deferred maintenance amounting to 214 thousand euro (previous year: 126 thousand euro) as well as provisions for closing, audit and tax consulting costs of 31 thousand euro (previous year: 31 thousand euro).

Liabilities

As in the previous year, all liabilities reported have a residual term of up to one year.

Liabilities to affiliated companies resulting from trade receivable amount to 2,381 thousand euro (previous year: 2,084 thousand euro). Liabilities to affiliated companies include the liabilities to shareholders amounting to 421 thousand euro (previous year: 648 thousand euro).

Items not included in the Balance Sheet

As of March 31, 2017, there were not passivated liabilities of 36 thousand euro resulting from leasing agreements (previous year: 43 thousand euro). Of these liabilities, 12 thousand euro will be due in the next 12 months after the balance sheet date and 24 thousand euro in 1-5 years after the balance sheet date. As a result of the leasing agreements, the liquidity outflow is not carried out at the time of the investment, but is distributed over the term of the contract.

Explanatory Notes on the accounts of Profit and Loss

Sales Revenue

The sales revenue of the Company relates mainly to the functions of sale of steel, trapezoidal sheet metal, strongboxes, corrugated sheets and edging parts.

The gross revenues do not include an income of 1.8 million euro exclusively from the domestic market (in particular with Czech customers)(previous year: 1.8 million euro).

Other Operating Income

The other operating income for the financial year does not include any non-periodic income (previous year: 25 thousand euro).

Other Operating Expenses

As in the previous year, other operating expenditures mainly include intragroup allocation of costs, expenditures on temporary workers, maintenance expenses and freight costs.

Taxes on Income and Profit

In the financial year 2016/2017 the taxes on income and profit account for 229 thousand euro (previous year: 15 thousand euro). Tax expenses of 2 thousand euro (previous year: 15 thousand euro) relate to past financial years.

Supplementary Information

Information on different organs of the Company

Managing Director in the past financial year was Mr. Wilhelmus Gerardus Maria Vermeulen, General Director of S.A.B. Profil BV, Ijsselstein / Netherlands.

The Managing Director received no remuneration from the company in the year under review.

Information on the Employees

The average number of employees in the fiscal year was as follows:

	<u>Quantity</u>
Wage workers	22 (previous year: 22)
Employee	<u>11</u> (previous year: 10)
	33

Relations with the Parent Company

The S.A.B.Profil GmbH, Niederaula, is included in the consolidated financial statements of TATA Steel Ltd. Mumbai / India, (largest circle) and Tata Steel Nederland BV, Beverwijk / Netherlands (smallest circle). The consolidated financial statements of Tata Steel Nederland BV are published at the Dutch Chamber of Commerce in Utrecht (number 30032168) and are available at the registered office of the Company. The consolidated financial statements of TATA Steel Ltd. Is available at the registered office of the Company in Mumbai, India.

Sole shareholder of S.A.B.Profil GmbH, Niederaula is S.A.B-profiel BV, IJsselstein / Netherlands.

Proposed Appropriation of Results

The Management Board proposes that the net profit of the past financial year as of 31 March, 2017 be reported in the amount of 544, 488.52 euro to the new account.

Events after the Balance Sheet Date

The shares of S.A.B.Profil GmbH were transferred from S.A.B-profiel BV to Staalverwerking en Handel B.V., Velsen-Noord (Netherlands) as part of a dividend. Effective from April 1, 2017, Staalverwerking en Handel BV placed the shares in S.A.B. Profil GmbH in the second step against the issue of a share in the Tata Steel Germany GmbH.

Effective from April 1, 2017, Tata Steel Germany GmbH holds 100% of the shares in S.A.B.Profil GmbH. From the fiscal year 2017/2018, a profit and loss transfer agreement exists between Tata Steel Germany GmbH and the S.A.B.Profil GmbH, so that the profits of the S.A.B.Profil GmbH from the 2017/2018 fiscal year will be paid to Tata Steel Germany GmbH or the deficit of S.A.B.Profil GmbH will be balanced by Tata Steel Germany GmbH. The profit and loss transfer agreement was approved at the shareholders' meeting on 15 March 2017. The profit and loss transfer agreement was entered in the commercial register on 12 April 2017.

In addition, there were no significant events worthy of reporting that occurred after the balance sheet date.

Niederaula, June 28, 2017. The management of

S.A.B.Profil GmbH

Vermeulen

Development of fixed assets in 2016/2017 financial year

	The gross book value stands at as of 1. 4. 2016 euro	stands at as of 31-3-2017 euro	Accumulated depreciation stands at as of 1. 4. 2016 euro	Accruals euro	stands at as of 31-3-2017 euro	Net book value stands at as of 31-3-2017 euro	Previous year saw Thousand EURO
I. Intangible Assets							
Purchased software	<u>167,121.33</u>	<u>167,121.33</u>	<u>167,119.93</u>	<u>0.00</u>	<u>167,119.93</u>	<u>1.40</u>	<u>0</u>
II. Tangible Assets							
1. Buildings on third party land	5,616,135.37	5,616,135.37	3,499,340.52	219,784.00	3,719,124.52	1,897,010.85	2,117
2. Technical equipment and machinery	7,367,066.61	7,367,066.61	6,304,879.06	268,269.00	6,573,148.06	793,918.55	1,062
3. Other Assets, Company- and Office equipment	<u>407,685.17</u>	<u>407,685.17</u>	<u>404,451.40</u>	<u>2,056.00</u>	<u>406,507.40</u>	<u>1,177.77</u>	<u>3</u>
	<u>13,390,887.15</u>	<u>13,390,887.15</u>	<u>10,208,670.98</u>	<u>490,109.00</u>	<u>10,698,779.98</u>	<u>2,692,107.17</u>	<u>3,182</u>
	<u>13,558,008.48</u>	<u>13,558,008.48</u>	<u>10,375,790.91</u>	<u>490,109.00</u>	<u>10,865,899.91</u>	<u>2,692,108.57</u>	<u>3,182</u>

Auditor's Report

We have audited the annual financial statements of S.A.B. Profil GmbH, Niederaula, comprising the balance sheet, the profit and loss statement and the notes together with the accounting and the management report of the Company for the fiscal year from 1 April 2016 to 31 March 2017. In accordance with German commercial law the accounting records and the preparation of the annual financial statement and management report are the responsibility of the Company. Our responsibility is to express an opinion, based on our audit, about the annual financial statements involving accounting, and about the management report.

We have conducted the audit of the annual financial statement in accordance with § 317 of the German Commercial Code (HGB) and complied with the basic principles for the audit of financial statements published by the Institute of Auditors (IDW). Those standards require that we plan and perform the audit such that inaccuracies and violations considerably affecting the presentation of the net assets, financial position and income from operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company as well as expectations of possible errors are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal audit system and the evidence supporting the disclosures in the accounts book, annual financial statements and management report have been examined primarily on a sample basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonably stable basis for our assessment.

Our audit has not given rise to any objection.

According to our assessment on the basis of the insights obtained during the audit, the annual accounts of S.A.B. Profile GmbH, Niederaula, correspond to the legal ordinances and impart the real condition of the corresponding image of the assets, finance and profit situation of the company, considering the principles of proper accounting. The management report is consistent with the annual accounting, corresponds to the legal ordinances, conveys an overall accurate picture of the company's position and illustrates the chances and risks of future development clearly.

Düsseldorf, dated 28th June 2017

Deloitte GmbH
Audit firms

(Signature)
(Graetz)
Auditor

(Signature)
(Meyer)
Auditor

Stamp: Deloitte GmbH
Audit firm Seal
Munich Branch
Düsseldorf

PLEASE NOTE: This PDF file of the test report is merely a non-mandatory inspection copy. The test report, which has been prepared and delivered exclusively on paper, is considered to be relevant.

General conditions of the contract
for
Auditor and Auditing Firms
as from 1st January 2002

1. Scope of application

(1) The conditions of the contract apply to the contracts between auditors or auditing firms (together referred to as "auditor" in the following) and their clients on tests, consultation and other assignments, provided that something else has not been explicitly agreed upon or is mandatorily required by law.

(2) If contractual relationships are justified between the auditor and another person as the client in individual and exceptional case, the provisions of no .9 will be applied towards the third party.

2. Scope and implementation of the contract

(1) The matter of the contract is the performances agreed upon and not a particular economic success. The contract will be implemented according to the standards of proper professionalism. The auditor is entitled to employ experts for the implementation of the contract.

(2) The consideration of foreign laws, except in case of business audits require explicit written agreement.

(3) The contract, provided it is not directed towards that, does not cover the audits of issue of whether the ordinances of tax law or special ordinances, like e.g. the ordinances of price, restriction of competition and management law are complied with; the same is applied to the assessment of whether subsidies, allowances or other benefits can be used. The implementation of a contract includes only the audit procedures, which aim to cover the falsification of accounts and other anomalies, if it results in an event while carrying out the audits or this will be agreed in a written.

(4) In case the legal situation changes according to the specification of the final professional statements, the auditor will not be liable to refer to the client on the changes or the consequences resulting from them.

3. Duty of the client to inform

(1) The client has to take care of the fact that all documents necessary for the implementation of the contract are submitted to the auditor in a timely manner even without their solicitation and he must be made aware of all procedures and circumstances, which can be significant for the implementation of the contract. This is also applied to the documents, procedures and circumstances, which are known during the work of the auditor.

(2) The client has to confirm the completeness of the submitted documents and the given information and declarations in a written statement formulated by the auditor.

4. Ensuring the independence

The client is responsible for the fact that everything that can risk the independence of the staffs of the auditor must be refrained from. This is applied in particular while accepting the offers on employment and for offers and contracts on one's own account.

5. Reporting and oral information

If the auditor has to illustrate the results of his work in a written, the written illustration will only be considered relevant. In case of the audit assignment, the report will be made in a written, as far as something else has not been agreed upon. Oral declarations and information of the staffs of the auditor other than the issued assignments are always non-binding.

6. Protection of intellectual property of the auditor

The client is responsible that the reports, organizational charts, projects, designs, installations and calculations, especially mass calculations and cost calculations made by the auditor within the framework of the contract are used only for their own purpose.

7. Reproduction of a professional statement of auditors

(1) Reproduction of professional statements of the auditor (reports, opinions and similar things) to a third party requires the written approval of the auditor, as far as the consent to reproduce to a third party does not already arise for the contents of the contract.

The auditor is liable to a third party (within the framework of no.9) only if the pre-requisites of clause 1 are given.

(2) The usage of professional statements of the auditor for advertising purposes is not permitted; a breach will entitle the auditor to termination of all non-accomplished tasks of the client without notice.

8. Removal of defects

(1) The client has subsequent performance claim in case of any defects by the auditor. He can demand for reduction of the remuneration or cancellation of the contract only in case of failure of subsequent performance; if the assignment will be placed by a businessman within the framework his commercial enterprise, a juridical person of the public law or special fund under public law, the client can demand the cancellation of the contract if the rendered services becomes perfunctory to him due to failure of subsequent performance. No. 9 will be applied if additional claims for compensation against damages exist.

(2) The claim to remove the defects must be asserted immediately by the client. The claims acc. to stanza 1, which do not depend on an intentional action, become time-barred after completion of a year from the beginning of the legal limitation period.

(3) Obvious inaccuracies, e.g. typing error, calculating errors and formal faults, which are contained in the professional statement (reports, opinions and similar things) of the auditor, can be amended by the auditor as opposed to a third party at any time. Inaccuracies that are suitable to question the results contained in the professional statement of the auditor, entitle these to withdraw the statement as opposed to third parties. The client will at first listen from the auditor if possible.

9. Liability

(1) *The liability limit of § 323, stanza 2 HGB will be considered for legally prescribed tests.*

(2) *Liability in case of negligence, individual case of damage*

In case neither stanza 1 intervenes nor a regulation exists in individual case, the liability of auditor for claims for compensation against damages of any type is limited to 4 Million €, except the damages from loss of life, body parts or health or an individual case of damage caused due to negligence acc. to § 54 a, stanza 1, no. 2 WPO; this is applied even if a liability towards another person as the client should be justified. An individual case of damage is given related to consistent damages originating from violations of many obligations. The individual case of damage includes all consequences of violation of obligations regardless of the fact that whether the damages are incurred in one or more consecutive years. Thereby repeated actions or failure based on same type of source of error will be regarded as a consistent violation of obligations, if the concerned matters are associated to each other in a legal or economic way. In this case the auditor can only use an amount of 5 Million €. The limitation on the fivefold minimum insurance sum will not be applied in case of legally prescribed obligatory audit.

(3) *Limitation periods*

A claim for compensation against damage can be asserted only within a limitation period of a year, after the claimant takes note of the damage and the circumstances giving rise to the claims, at the latest within 5 years after the occurrences justifying the claims. The claim expires if a suit is not filed within a time of six months since the written rejection of the compensation and the client referred to this consequence.

The right to assert the objection of limitation period will remain undisturbed. The clauses 1 to 3 are applied in case of legally prescribed audits with legal limitation of liability.

10. Additional provisions audit assignments

(1) A subsequent change or termination of the final report or management report checked by the auditor and provided with an audit certificate requires the written approval of the auditor even if a publication has not taken place. In case the auditor does not issue an audit certificate, a reference to the audit carried out by the auditor in the management report or elsewhere determined for publication is permitted only with a written approval of the auditor and with the wording approved by him.

(2) If the auditor cancels the audit report, he may not reuse the auditor's opinion. If the client already uses the auditor's report, he can announce the cancellation on demand of the auditor.

(3) The client has claims to five copies of report. Additional copies will be charged.

11. Additional provisions for assistance in tax matters

(1) The auditor is entitled to take the facts furnished by the auditor, in particular numerical data, as a correct and complete basis during consultation in tax related queries and in case of long-term counseling. He has to point the inaccuracies determined by him to the client as well.

(2) The tax consultancy does not include the actions necessary for keeping a term, unless the assignment has been explicitly assumed by the auditor. In this case the client has to submit the documents necessary for keeping a term to the auditor accurately, especially the tax assessment, so that an appropriate processing time will be available to the auditor.

(3) In the absence of another written agreement, the current tax consultancy will include the following activities covered in the contractual period:

- a) Preparation of the annual tax declaration for income tax, corporation tax and trade tax as well as property tax declarations and namely on the basis of the annual accounts and other things submitted by the client for taxation of necessary itemizations and verifications
- b) Review of tax assessments with the taxes mentioned under a)
- c) Negotiation with the tax authorities related to the declarations and assessment mentioned in a) and b)
- d) Cooperation during audits and evaluation of the results of the audits regarding the taxes mentioned under a)
- e) Cooperation in opposition and complaint proceedings regarding the taxes mentioned under a)

The auditor considers the significant and published jurisdiction and administrative opinion with the aforementioned assignment.

(4) If the auditor receives a lump sum fee for the current tax consultancy, the work mentioned under stanza 3 d) and e) are to be remunerated separately in the absence of other written agreements.

(5) The processing of special single issue of income tax, corporation tax, trade tax, valuation of economic units and property tax as well as all issues on VAT, payroll tax, other taxes and levies takes place on the basis of a particular contract. This is also applied to

- a) The processing of onetime tax issues, e.g. on the area of inheritance tax, capital transfer tax, land transfer tax,
- b) The involvement and representation in the proceedings at the court for financial and administrative jurisdiction as well as in criminal tax matters, and
- c) The advisory and expert activities connected to conversion, merger, capital increment and reduction, renovation, entry and withdrawal of a company, sale of business, liquidation and similar things.

(6) As far as the preparation of the annual declaration of VAT will be taken up as an additional activity, the testing of any special accounting prerequisites do not belong to that as well as the question whether all considered benefits related to VAT are recognized. A guarantee for a complete registration of the documents for assertion of input tax deduction will not be taken up.

12. Obligation to maintain secrecy towards the third party, data protection

- (1) The auditor is obliged according to the law to maintain secrecy about all facts known to him due to his work with the client, nonetheless, whether it involve the client himself or his business connections, unless the client releases him from this obligation to secrecy.
- (2) The auditor may hand over the reports, opinions and other written statements on the results of his work to the third party only with the permission of the client.
- (3) The auditor is entitled authorized to process the personal details confided to him or let a third party process them within the framework of a definite purpose.

13. Default of acceptance and lack of cooperation of the client

If the client is in arrears with the acceptance of the services tendered by the auditor or the client refrains from a cooperation he is obliged to acc. to no. 3, the auditor will be entitled to termination without notice. The claim of the auditor on compensation of additional expenses accrued to him due to the arrear or the lack of cooperation of the client as well as the damages caused due to them will remain undisturbed even if the auditor does not make use of the right to terminate.

14. Remuneration

(1) The auditor has claims on compensation of his expenses besides his fee or remuneration requirement to calculate; the VAT will be calculated additionally. He can demand appropriate advance payments on the fees and expense compensation and can make his services conditional to the full satisfaction of his claims. Multiple clients can be liable as joint debtors.

(2) A set-off against claims of the auditor on fees and compensation of expenses is permitted only with undisputed or legally determined claims.

15. Retention and publication of documents

- (1) The auditor can store the documents given to him or produced by him for the settlement of an assignment as well as the correspondences leading to the assignment for up to ten years.
- (2) The auditor has to hand over the documents after satisfying their claims from the contract, which he received on the occasion of his activities for the contract, on demand of the client. However this is not applied to the correspondences between the auditor and his client and for the documents, which are already on the original text or copy. The auditor can make duplicates or photocopies and retain the documents, which has been given back by him to the client.

16. Applicable law

Only German Law will be applied to the contract, its implementation and the claims resulting from it.

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.