

FINANCIERE C 10

Simplified Joint Stock Company

35 rue des Bas Trévois
10000 TROYES

**AUDITOR'S REPORT
REGARDING THE ANNUAL FINANCIAL STATEMENTS**

Fiscal year closed 31 December 2012

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10000 TROYES

AUDITOR'S REPORT REGARDING THE ANNUAL FINANCIAL STATEMENTS

Fiscal year closed 31 December 2012

To the shareholders,

In fulfilment of the assignment given to us by your shareholders' meeting, we submit to you our report for the fiscal year closed 31 December 2012, regarding:

- the audit of FINANCIERE C 10's annual financial statements, as enclosed with this report;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements were settled by the president. Based on our audit, our task is to render an opinion regarding these statements.

I. OPINION REGARDING THE ANNUAL FINANCIAL STATEMENTS

We have conducted our audit according to the standards of the profession applicable in France, which require care and diligence in order to conclude with reasonable assurance that the annual financial statements do not contain any significant irregularities. An audit consists of examining, by random sampling, probative items that justify the amounts and data contained in these statements. It also assesses the accounting principles followed, the significant estimates used to settle the accounts and their overall presentation. We consider that our audit provides a sufficient and appropriate basis for our opinion with respect to those matters.

We certify that the annual financial statements, drawn up pursuant to the accounting rules and principles that are applicable in France, are correct and truthful and give a reliable picture of the company's operations for the preceding fiscal year, and its financial position and assets and liabilities at the end of that year.

II. JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to the provisions of article L. 823-9 of the Commercial Code regarding justification of our assessments, we call your attention to the following information:

The equity interests that appear in the balance sheet closed 31 December 2012, in the net amount of € 10 673 701, are valued at their acquisition cost and are depreciated on the basis of their useful life, according to the methods described in note 2.3 of the appendix. We have assessed the data and the assumptions on which these estimates are based, particularly the cash flow projections made by the management, and we have reviewed the calculations made by the company. In the context of our assessments, we have verified the reasonableness of these estimates.

The assessments have been made pursuant to our standard procedures for auditing annual financial statements, taken as a whole, and thus have contributed to the formation of our opinion rendered in the first part of this report.

III. SPECIFIC INFORMATION AND VERIFICATIONS

We have also carried out the specific verifications required by law, in accordance with the professional standards applicable in France.

We have no comments to make regarding the accuracy, and concordance with the annual financial statements, of the information given in the president's management report and in the documents transmitted to the sole shareholder regarding the financial position and the annual financial statements.

Villeurbanne, 12 May 2013

The auditor

Deloitte & Associés

Dominique NATALE
[signature]

ANNUAL FINANCIAL STATEMENTS

Balance sheet

Income statement

Appendix

Corporate name: FINANCIERE C10
 Address: 35 rue des Bas Trévois 10000 TROYES
 Registration n° : 42874770300026

N Period : 12
 N-1 Period : 12

Categories	Gross amount		Amortizations/ depreciations/ Provisions	31/12/2012	31/12/2011
Uncalled subscribed capital I	AA				
INTANGIBLE ASSETS					
Initial costs	AB		AC		
Development costs	CX		CQ		
Concessions, patents and similar rights	AF		AG		
Goodwill (1)	AH		AI		
Other intangible assets	AJ		AK		
Advances and instalments on intangibles	AL		AM		
TANGIBLE ASSETS:					
Land	AN		AO		
Buildings	AP		AQ		
Plant machinery and equipment	AR		AS		
Other tangibles	AT		AU		
Tangibles in progress	AV		AW		
Advances and payments on account	AX		AY		
FINANCIAL ASSETS: (2)					
Investments valued according to the equity method	CS		CT		
Other equity interests	CU	10 673 701	CV	10 673 701	10 673 701
Receivables from investments	BB		BC		
Other long-term investments	BD		BE		
Loans	BF		BG		
Other financial assets	BH		BI		
TOTAL II	BJ	10 673 701	BK	10 673 701	10 673 701
INVENTORY AND WORK IN PROGRESS:					
Raw materials, supplies	BL		BM		
Goods in process of production	BN		BO		
Services in process of production	BP		BQ		
Intermediate and finished products	BR		BS		
Merchandise	BT		BU		
Advances and instalments on orders	BV		BW		
RECEIVABLES:					
Trade and related accounts	BX	42 686	BY	42 686	39 684
Other receivables	BZ	838 181	CA	838 181	85 905
Subscribed, called and unpaid capital	CB		CC		
MISCELLANEOUS:					
Investment securities (including equity shares)	CD		CE		
Available funds	CF	34 314	CG	34 314	6 731
ADJUSTMENT ACCOUNTS:					
Prepaid expenses (3)	CH		CI		
TOTAL III	CJ	915 181	CK	915 181	132 320
Deferred expenses related to issue of borrowings IV	CW				
Bond redemption premiums V	CM				
Unrealized exchange losses VI	CN				
GRAND TOTAL (I to VI)	CO	11 588 881	1A	11 588 881	10 806 021
Footnotes: (1) Right to lease N-1		(2) Percentage of net financial assets N-1	CP	(3) Percentage due over a year (CR) N-1	
Reservation of ownership clause		Inventories		Receivables	

Corporate name: FINANCIERE C10

Categories		31/12/2012	31/12/2011
SHAREHOLDERS' EQUITY			
Registered or share capital (1) (paid for 3 358 800)	DA	3 358 800	3 358 800
Issue, merger, contribution premiums	DB	98	98
Revaluation (2) (including consolidated equity) EK	DC		
Legal reserve (3)	DD	335 880	335 880
Statutory or contractual reserves	DE		
Regulated reserves (3) (including special reserve of provisions for exchange rate fluctuation) B1	DF	612	612
Other reserves (including reserve related to the purchase of original works) EJ	DG	4 950 467	4 489 665
Carry forward	DH		
FISCAL YEAR RESULT (profit or loss)			
Investment subsidies	DI	831 469	460 801
Regulated provisions	DJ		
	DK		
TOTAL (I)	DL	9 477 325	8 645 857
OTHER EQUITY			
Investment income	DM		
Conditioned advances	DN		
TOTAL (II)	DO		
PROVISIONS FOR RISKS AND CHARGES			
Provisions for risks	DP	16 000	38 000
Provisions for charges	DQ		
TOTAL (III)	DR	16 000	38 000
PAYABLES (4)			
Convertible debentures	DS		
Other debentures	DT		
Borrowings and debts with credit institutions (5)	DU	239	1 100 260
Miscellaneous borrowings and financial debts (including investment borrowings) B	DV		5 293
Advances and payments received for orders in progress	DW		
Trade payables and related accounts	DX	679 614	519 886
Tax and payroll contribution payables	DY	120 654	190 224
Debts on fixed assets and related accounts	DZ		
Other payables	EA	1 295 049	306 502
Adjustment accounts			
Deferred income (4)	EB		
TOTAL (IV)	EC	2 095 556	2 122 164
Unrealized exchange gains* (V)	ED		
GRAND TOTAL (I to V)	EE	11 588 881	10 806 021
FOOTNOTES			
(1) Revaluation incorporated into capital	IB		
(2) special revaluation reserve (1959)	IC		
Including: free revaluation	ID		
revaluation reserve (1976)	IE		
(3) Including special reserve for long-term capital gains	EF		
(4) Prepaid debts and deferred income of less than one year	EG	2 095 556	2 122 164
(5) Including ordinary bank supports, bank credit balances and postal current accounts (balo)	EH		
Mid-term debts (balo)			
Short-term debts (balo)			

Corporate name: FINANCIERE C10

Categories					31/12/2012	31/12/2011
Sales of goods		France	Export			
		FA	FB	FC		
Production sold: Goods		FD	FE	FF		
Services		FG	FH	FI	1 225 422	1 120 198
		1 182 736	42 686			
NET SALES		FG	FK	FL	1 225 422	1 120 198
Production in stock				FM		
Long-term production				FN		
Operating subsidies				FO		
Reversals of amortizations/depreciations and provisions, transfers of charges (9)				FP	22 000	
Other income (1) (11)				FQ	3	0
TOTAL OPERATING INCOME (2)	(I)			FR	1 247 425	1 120 198
Purchases of goods (including customs duties)				FS		
Change in inventory (goods)				FT		
Purchases of raw materials and other supplies (including customs duties)				FU		
Change in inventory (raw materials and supplies)				FV		
Other purchases and external expenses (3) (6 bis)				FW	702 359	543 645
Taxes, duties and similar payments				FX	22 680	21 155
Wages and salaries				FY	219 289	221 258
Payroll contributions (10)				FZ	80 544	83 360
OPERATING ALLOCATIONS						
Fixed assets: -allocations to amortizations/depreciations				GA		38 000
-allocations to provisions				GB		
Current assets: allocations to provisions				GC		
For risks and charges: allocations to provisions				GD		
Other expenses (12)				GE	1	1
TOTAL OPERATING EXPENSES (4)	(II)			GF	1 024 873	906 418
1 – OPERATING RESULT (profit or loss) (I-II)				GG	222 552	213 780
JOINT OPERATIONS						
Profit allocated or loss transferred	(III)			GH		
Loss incurred or profit transferred	(IV)			GI		
FINANCIAL INCOME						
Investment income (5)				GJ	686 380	350 000
Income from other securities, and receivables from fixed assets (5)				GK		
Other interest and related income (5)				GL	88	235
Reversals of provisions and transfers of charges				GM		
Foreign exchange profits				GN		
Net income from sales of investment securities				GO		
TOTAL FINANCIAL INCOME	(V)			GP	686 468	350 235
Financial allocations to amortizations/depreciations				GQ		
Interest and related charges (6)				GR	9 993	48 608
Foreign exchange losses				GS		
Net expenses on sales of investment securities				GT		
TOTAL FINANCIAL EXPENSES	(VI)			GU	9 993	48 608
2 – FINANCIAL RESULT (profit or loss) (V-VI)				GV	676 475	301 627
3 – NET OPERATING PROFIT OR LOSS BEFORE TAXES (I-II+III-IV+V-VI)				GW	899 027	515 406

Corporate name: FINANCIERE C10

Categories		31/12/2012	31/12/2011
Nonrecurring income from management operations	HA	755	1 067
Nonrecurring income from capital operations	HB		1 000
Reversals of provisions and transfers of charges	HC		
TOTAL NONRECURRING INCOME (7) (VII)	HD	755	2 067
NONRECURRING EXPENSES			
Nonrecurring expenses of management operations (6 bis)	HE		
Nonrecurring expenses of capital operations	HF		
Nonrecurring allocations to amortizations/depreciations and provisions	HG		
TOTAL NONRECURRING EXPENSES (7) (VIII)	HH		
4 NONRECURRING RESULT (profit or loss) (VII-VIII)	HI	755	2 067
Employee profit sharing	(IX) HJ		
Income taxes	(X) HK	68 313	56 672
TOTAL INCOME (I+III+V+VIII)	HL	1 934 647	1 472 500
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	HM	1 103 179	1 011 699
5 PROFIT OR LOSS (Total income – total expenses)	HN	831 469	460 801
Footnotes			
(1) Including partial net income from long-term operations	HO		
(2) Including: -revenues from real property leases	HY		
-operating income related to previous fiscal years (detail given in (8) below)	IG		
(3) Including: personal property leasing	HP		
Real property leasing	HQ		
(4) Including operating expenses related to previous fiscal years (detail given in (8) below)	IH		
(5) Including income regarding the affiliates	IJ		
(6) Including interest regarding the affiliates	IK		
(6bis) Including charitable contributions to public interest entities (art. 238 bis of the Tax Code)	HX		
(9) Including transfer of charges	A1		
(10) Including the proprietor's personal contributions (13)	A2		
(11) Including fees for granting of patents and licenses (income)	A3		
(12) Including fees for granting of patents and licenses (expenses)	A4		
(13) Including personal additional premiums and contributions: optional A6 Mandatory A9			
(7) Detail of nonrecurring income and expenses		N Fiscal year	
<i>With regard to EDI-TDFC standard, please enter this information in appendix "2053 – Nonrecurring income and expenses", appearing in the EDI-TDFC supplementary rubric</i>		Nonrecurring expenses	Nonrecurring income
(8) Details of income and expenses for previous fiscal years:		N Fiscal year	
		Previous expenses	Previous income
<i>With regard to EDI-TDFC standard, please enter this information in appendix "2053 – Nonrecurring income and expenses", appearing in the EDI-TDFC supplementary rubric</i>			

APPENDIX

I) GENERAL STATEMENTS

The total balance sheet for the fiscal year closed 31 December 2012, prior to allocation of the result, is € 11 588 881, and the income statement for the fiscal year, presented in the form of a list, shows a net profit of € 831 469.

The fiscal year closed in 2012 covers a period of 12 months.

The notes and tables hereinafter constitute an integral part of the annual financial statements. These statements have been drawn up by the Group's finance department, which has its head office in France, 35 rue des Bas Trévois, 10000 Troyes, and have been approved by the President of the company.

II) ACCOUNTING RULES AND METHODS

The financial statements for the closed fiscal year have been prepared and presented pursuant to the accounting rules in compliance with the principles specified by articles 120-1 et seq. of the 2005 Accounting Standards.

The basic rule used to value the booked items is the historical cost method.

The accounting conventions have been applied in accordance with the provisions of the Commercial Code, the accounting decree of 29 November 1983, and the rules of the Accounting Regulation Committee (known in France as CRC) related to the rewriting of the 2005 National Accounting Standards applicable at the close of the fiscal year.

The general accounting conventions have been applied in compliance with the principle of prudence, pursuant to the following basic assumptions, the purpose of which is to give a reliable picture of the company's business:

- continuity of the business operation
- consistency of the accounting methods from one fiscal year to the next
- independence of fiscal years

The accounting conventions comply with the general rules governing the drawing up and presentation of the annual financial statements.

The basic method used to value the booked items is the historical cost method.

The principal accounting methods used are the following:

2.1. Intangible assets

Intangible assets are fully amortized.

2.2. Tangible assets

Tangible assets are valued at their acquisition cost (purchase price and ancillary costs).

Interest on borrowings for the production of fixed assets is not included in the production cost of these assets.

Depreciations are calculated according to the straight-line method as a function of the useful life that is expected.

Transport equipment	4 years
Office and computer equipment	3 years

Pursuant to the Accounting Committee's rules n° 2002 – 10 and N° 2004 – 06 regarding assets as of 1 January 2005, the company, after analyzing its principal fixed assets, did not identify any significant changes in the valuation and depreciation policy of these assets.

2.3. Equity interests and other financial fixed assets

The gross value consists of the purchase price, apart from ancillary costs.

The net value of equity interests and other financial fixed assets is calculated by the discounted cash flow method.

When the calculated value is lower than the gross value, a provision for depreciation is set up for the difference.

2.4. Operation receivables

Receivables are valued and booked at their face value. Provisions for depreciation are booked individually to cover risks of non-collection.

2.5. Provisions

The risks and charges that are clearly specified with respect to their nature, which past or current events render probable, and that meet the requirements for the booking of liabilities and constitution of provisions set by the Accounting Committee's notice 2000-06 (legal or implicit obligation imposed on a third party, the probability of an outflow of resources benefiting a third party without any equivalent consideration), are translated in the accounts in the form of provisions.

Any risks that are identified are subject to an annual monitoring for determination of the amount of provisions that are deemed necessary.

An anticipated loss or liability that is neither probable nor measurable in a reliable fashion but remains possible, is the subject of a note in the appendix "dispute with an employee in labour court", and is provisioned for € 16 000.

2.6. Currency operations

Expenses and income are booked at their exchange value on the date of the operation. Payables, receivables and available funds in foreign currencies (the euro excluded) are entered in the BALANCE SHEET at their exchange rate applicable at the end of the fiscal year. The difference, resulting from the discounting of accounts payable and receivable in foreign currencies, is booked in the BALANCE SHEET in the "foreign exchange differences" item. Unrealized exchange losses are totally subject to a provision for risk.

2.7. Exemption from consolidation

In accordance with article 357-2 of the Act of 24 July 1966 and article 248-13 of the decree of 23 March 1967, the company, as the parent of the sub-group, is exempt from drawing up consolidated financial statements and a report on the group's management.

Indeed:

- None of the shareholders representing at least one tenth of the capital oppose this exemption;
- The individual financial statements of the company, as well as those of companies that it controls or on which it has a notable influence, are fully included in the consolidated financial statements of the group (Tube Investments of India LTD);
- The consolidated financial statements of Tube Investments of India LTD, which has its head office at "Dare House", 2 N.S.C. Bose Road, CHENNAI – 600 001, INDIA, are drawn up in compliance with the 7th European directive (or with an equivalent one), are translated into French, and are made available to the company's shareholders at the same time as its individual financial statements (and other documents) prior to the shareholders' meeting called to rule thereon.
- All of the significant data regarding the financial situation and the assets and liabilities, as well as the result, of the group consisting of the exempt company, its subsidiaries and its equity interests (established pursuant to the French accounting rules) are provided below:
 - Fixed assets: € 6 934 000
 - Net sales: € 33 265 000
 - Fiscal year profit: € 365 000
 - Shareholder equity: € 8 828 000
 - Average workforce during the fiscal year: 239 employees

III) NOTES ON THE BALANCE SHEET AND THE INCOME STATEMENT

Assets

Fixed assets (in euros)

Change in fixed assets in gross values

	Amounts as of 31/12/2011	Acquisitions	Sales	Amounts as of 31/12/2012
INTANGIBLE ASSETS				
Total 1	0	0	0	0
TANGIBLE ASSETS				
Total II	0	0	0	0
FINANCIAL ASSETS				
Equity interests	10 673 701	0	0	10 673 701
Other loans	0	0	0	0
Total III	10 673 701	0	0	10 673 701
TOTAL	10 673 701	0	0	10 673 701

Change in amortizations/depreciations

No amortizations/depreciations are booked as of 31 December 2012.

Provisions (in euros)

The provision for risks and charges is to cover a dispute with an employee at the labour court.

Category of provisions	Amounts at the beginning of fiscal year	Fiscal year allocations	Fiscal year reversals	Amounts at the end of fiscal year
Exceptional amortizations/ depreciations				
Subtotal				
Provisions for technical risks				
Provisions for foreign exchange losses				
Provisions for risks and charges	38 000		22 000	16 000
Subtotal	38 000		22 000	16 000
Provisions for inventories and work in progress				
Provisions for customer accounts				
Subtotal				
GRAND TOTAL	38 000		22 000	16 000

Operating receivables

The amount of operating receivables is € 42 664. These receivables involve only the group companies and are due in less than one year.

They are broken down as follows:

- Customers: € 42 686
- Customer invoices to be issued: None
- Deferred income: None

The amount of other receivables is € 838 181, € 469 054 of which involves current accounts with the group companies.

Liabilities

Composition of the share capital

As of 31 December 2012, the share capital of € 3 358 800 consisted of: 223 920 registered shares with a par value of € 15 euros.

Table of change in shareholder equity (in euros)

	Amount as of 31/12/2011	Dividend distribution	2012 fiscal year result	Amount as of 31/12/2012
Shareholder equity	8 645 856	-	831 469	9 477 325

Financial debts (€)

We do not have any financial debts as of 31 December 2012.

Operating payables

All of the operating payables are due in less than one year for € 2 095 317. These payables consists partly of:

a) Accrued expenses

Accrued supplier invoices	€ 679 614
Accrued labour cost	€ 12 272
Social offices	€ 34 100
Accrued payroll contributions to social offices	€ 20 400
State accounts payable	€ 53 882
TOTAL	€ 800 268

b) Suppliers € 0

c) Current accounts with group companies € 1 295 049

Data related to several balance sheet items as of 31 December 2012

BALANCE SHEET ITEMS	Amount related to companies	
	Affiliates	With which the company has an equity interest SEDIS SAS S2CI SEDIS CO LTD
ASSETS		
Equity interests		10 673 701
Trade and related accounts		42 686
Other receivables		469 054
LIABILITIES		
Other debts		1 295 049

FC10 booked financial income in current accounts with S2CI for € 87.95.

FC10 bore financial expenses in current accounts with SEDIS for € 7 302.47.

Transactions between affiliates concluded under normal terms and conditions:
NONE

Income statement

Sales

Sales of services for the fiscal year were € 1 225 422.

They are broken down as follows:

- EXPORT € 42 686
- FRANCE € 1 182 736

Financial expenses and income

Financial income consists of € 686 380 in dividends (€ 558 000 from SEDIS, € 110 000 from S2CI and € 18 380 from SEDIS Co) and € 88 in current account interest.

Financial expenses consist of € 2 690 in loan interest, € 69 in bank charges and € 7 302 in current account interest.

Future tax credit

As of 31 December 2012, our company has a tax credit of € 365 777.

Remuneration to members of governing bodies

The remuneration paid to members of governing bodies is not communicated because it would involve reporting individual remunerations.

Average workforce

The average workforce available to the Company during the 2012 fiscal year was:

- Corporate officers 1

TOTAL 1

Impact of the tax consolidation treatment

FINANCIERE C 10, the parent company of the tax group as defined by article 223 A C.G.I.

Companies of the FINANCIERE C10 group

Parent company: FINANCIERE C 10

Subsidiaries	Percentage of holding by FC 10
SEDIS	100.00
S2CI	100.00
SEDIS Company Ltd.	100.00

Method for distributing the corporate tax

The tax expense is booked in each company as if each of them was taxed separately. The tax savings produced by virtue of the tax consolidation treatment is booked in the parent company's accounts.

Tax booking

The tax at the group level booked in FINANCIERE C10's accounts is € 68 313.

The tax rate for 2012 is 33.33%.

Consolidation

Financière C10 is the entity consolidating the Sedis Group.

IV) SUBSIDIARIES AND EQUITY INTERESTS AS OF 31 DECEMBER 2012

Financial information regarding each subsidiary and equity interest, the value of which exceeds 1% of the capital	Capital (€)	Percentage of capital held	Shareholder equity (€)	Result for the last fiscal year closed (€)
Subsidiaries in which the company holds more than a 50% interest				
SEDIS SAS 35 RUE DES BAS TREVOIS 10000 TROYES France	6 500 000	100.00%	8 091 594	249 415
S2CI SARL 42 RUE BANCEL 77000 MELUN France	230 000	100.00%	497 550	95 278
SEDIS CO	£ 195 000 € 238 941	100.00%	£ 364 001 € 446 025	(£ 6 376) (€ 7 813)

Overall information regarding all of the subsidiaries and equity interests	French subsidiaries (€)	English subsidiaries (€)
Book values of securities held		
- gross	10 042 562	631 139
- net	10 042 562	631 139
Amount of loans and advances granted	0	0
Amount of guarantees and endorsements given	0	0
Amount of dividends received (558 000 SEDIS) (110 000 S2CI) (18 380 SEDIS CO)	686 380	0

V) FINANCIAL COMMITMENTS AS OF 31 DECEMBER 2012

CATEGORY OF COMMITMENTS	Amount in euros
FINANCIAL GUARANTEES	
Sedis Co LTD for NATWEST, letter of intent for an overdraft of £ 100 000	116 000
PLEDGES	
None	
TOTAL FINANCIAL COMMITMENTS	116 000

The pledging of SEDIS and S2CI shares is lifted as of 31 January 2012.

VI) AUDITOR'S FEES

The amount of fees is € 8 820. They relate to its legal assignment.