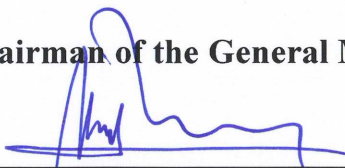


**Latino America Refractories ApS
Central Business Registration No
25536568
Strandvejen 203
DK-2900 Hellerup**

Annual report 2015

The Annual General Meeting adopted the annual report on 27.05.2016

Chairman of the General Meeting



Name: Antonius Marinus van Beest

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Entity details

Entity

Latino America Refractories ApS
Strandvejen 203
DK-2900 Hellerup

Central Business Registration No: 25536568

Registered in: Gentofte

Financial year: 01.01.2015 - 31.12.2015

Executive Board

Antonius Marinus van Beest
Barbara Potisk-Eibensteiner

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Latino America Refractories ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

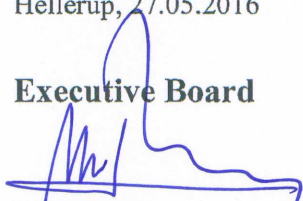
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

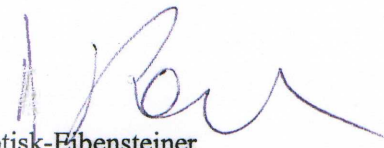
We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 27.05.2016

Executive Board



Antonius Marinus van Beest



Barbara Potisk-Eibensteiner

Independent auditor's reports

To the owner of Latino America Refractories ApS

Report on the financial statements

We have audited the financial statements of Latino America Refractories ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 27.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33963556



Christian Sanderhage

State Authorised Public Accountant

Management commentary

Primary activities

The Company's objective is to act as holding company for a number of companies in the RHI AG Group.

The Company holds the shares of the following entity:

- RHI Argentina S.R.L

Development in activities and finances

The Company's income statement for the year shows a loss after tax of EUR 54 thousand, and total assets amount to EUR 78 thousand at year-end.

Management considers the performance of the financial year to be as expected.

Capital position

At year-end, the Company's equity is negative in the amount of EUR 547 thousand and, therefore, the Company is subject to the capital loss provisions under section 119 of the Danish Companies Act.

The Company's net payables to group enterprises amount to EUR 618 thousand at 31 December 2015, and continued operations are contingent upon financing from group enterprises. RHI AG has issued a letter of support confirming that, until the Company's Annual General Meeting in 2017, RHI AG will provide adequate financing to cover the Company's general operating expenses as they fall due.

Outlook

The year 2016 is expected to show a minor profit before tax.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises. From reporting class C, the Company has chosen to apply the rules relating to description of the expected development in the management commentary.

The financial statements have been prepared in Euro.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses comprise expenses for administration.

Accounting policies

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial expenses

Other financial expenses comprise interest expenses.

Balance sheet

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value with deduction or addition of unrealised intra-group profits and losses and with addition or deduction

Associates with negative equity are measured at EUR 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 10 years. The amortisation period of 10 years for goodwill is determined on the basis of Management's experience within the Company's business area. In the opinion of Management, this reflects the best estimate of the useful lives of the assets.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income statement for 2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Other external expenses	2	<u>(7,453)</u>	<u>(2,856)</u>
Operating profit/loss		(7,453)	(2,856)
Income from investments in associates		(36,298)	24,335
Other financial expenses	3	<u>(10,146)</u>	<u>(11,649)</u>
Profit/loss for the year		<u>(53,897)</u>	<u>9,830</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(53,897)</u>	<u>9,830</u>
		<u>(53,897)</u>	<u>9,830</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Investments in associates		78,124	99,697
Fixed asset investments	4	<u>78,124</u>	<u>99,697</u>
Fixed assets		<u>78,124</u>	<u>99,697</u>
Cash		<u>207</u>	<u>620</u>
Current assets		<u>207</u>	<u>620</u>
Assets		<u><u>78,331</u></u>	<u><u>100,317</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Contributed capital	5	20,000	20,000
Retained earnings		<u>(566,541)</u>	<u>(475,990)</u>
Equity		<u>(546,541)</u>	<u>(455,990)</u>
Debt to group enterprises		617,872	549,307
Other payables		<u>7,000</u>	<u>7,000</u>
Current liabilities other than provisions		<u>624,872</u>	<u>556,307</u>
Liabilities other than provisions		<u>624,872</u>	<u>556,307</u>
Equity and liabilities		<u><u>78,331</u></u>	<u><u>100,317</u></u>
Going concern	1		
Contingent assets	6		
Contingent liabilities	7		
Related parties with control	8		
Ownership	9		

Statement of changes in equity for 2015

	Contributed capital EUR	Retained ear- nings EUR	Total EUR
Equity beginning of year	20,000	(475,990)	(455,990)
Exchange rate adjustments	0	(36,654)	(36,654)
Profit/loss for the year	0	(53,897)	(53,897)
Equity end of year	20,000	(566,541)	(546,541)

Notes

1. Going concern

At year-end, the Company's equity is negative in the amount of EUR 547 thousand and, therefore, the Company is subject to the capital loss provisions under section 119 of the Danish Companies Act.

The Company's net payables to group enterprises amount to EUR 618 thousand at 31 December 2015, and continued operations are contingent upon financing from group enterprises. RHI AG has issued a letter of support confirming that, until the Company's Annual General Meeting in 2017, RHI AG will provide adequate financing to cover the Company's general operating expenses as they fall due.

Based on the above letter of support, Management of Latino America Refractories ApS assesses that the capital resources are sufficient to cover the Company's continued operations in 2016. Accordingly, the annual report for 2015 has been presented based on a going concern assumption.

2. Other external expenses

The Company has had no employees in the financial years 2014 and 2015, and no remuneration has been paid to the Executive Board in 2015 (2014: EUR 0).

3. Other financial expenses

	2015	2014
	EUR	EUR
Financial expenses from group enterprises	9,987	10,969
Interest expenses	159	183
Exchange rate adjustments	0	497
	10,146	11,649

Notes

	Investments in associates EUR
4. Fixed asset investments	
Cost beginning of year	106,241
Additions	51,379
Cost end of year	157,620
Revaluations beginning of year	(6,544)
Exchange rate adjustments	(36,654)
Share of profit/loss after tax	(36,298)
Revaluations end of year	(79,496)
Carrying amount end of year	78,124

	Registered in	Corpo- rate form	Equity interest %	Equity EUR	Profit/loss EUR
Associates:					
RHI Argentina	San Nicolás, Argentina	S.R.L	10.00	N/A	N/A

	Number	Par value EUR	Nominal value EUR
5. Contributed capital			
Ordinary shares	20	1,000.00	20,000
	20		20,000

6. Contingent assets

The Company has a deferred tax asset with a carrying amount of EUR 239 thousand at 31 December 2015. The tax asset is not recognised in the balance sheet due to uncertainty relating to realisation.

7. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which RHI Finance ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Notes

8. Related parties with control

The following related parties have a controlling interest in Latino Americas Refractories ApS:

<u>Name</u>	<u>Registered Office</u>	<u>Basis of influence</u>
VRD Americas B.V.	Velperweg 81, NL-6824 HH Arnhem, The Netherlands	Principal shareholder
RHI AG	Wienerbergstrasse 9, 1100 Vienna, Austria	Ultimate parent

9. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

VRD Americas B.V., Arnhem, The Netherlands