

To the Managing Director and Supervisory Board of
Nederlands Radiateuren Fabriek B.V.

Ref: 25065/AG/MB/15.0108

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2014 of Nederlandse Radiateuren Fabriek B.V., Mill, which comprise the consolidated and company balance sheet as at 30 November 2014, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. 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 misstatement 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 and fair presentation of the financial statements 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 evaluating 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.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Nederlandse Radiatoren Fabrik B.V. as at November 30, 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

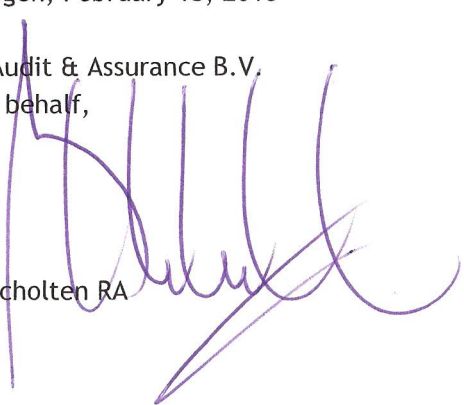
Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Nijmegen, February 13, 2015

BDO Audit & Assurance B.V.
on its behalf,

B.J. Scholten RA

A large, stylized handwritten signature in purple ink is written over the text 'BDO Audit & Assurance B.V. on its behalf,' and 'B.J. Scholten RA'.

2.1 Consolidated balance sheet as at November 30, 2014
(after appropriation of result)

(Amounts x €1.000)

		30.11.2014	30.11.2013
ASSETS	<i>Reference</i>		
FIXED ASSETS			
Intangible fixed assets	2.4.4	248	268
Tangible fixed assets	2.4.5	5.472	5.319
Financial fixed assets	2.4.6	<u>5.600</u>	<u>7.487</u>
		11.320	13.074
CURRENT ASSETS			
Inventories	2.4.7	20.869	16.858
Receivables	2.4.8	15.656	13.679
Short term investments	2.4.9	82	82
Cash and bank balances	2.4.10	<u>4.290</u>	<u>4.052</u>
		40.897	34.671
Total assets		<u>52.217</u>	<u>47.745</u>
SHAREHOLDER'S EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY	2.4.11	39.109	35.223
PROVISIONS	2.4.12	831	899
CURRENT LIABILITIES	2.4.13	12.277	11.623
Total liabilities		<u>52.217</u>	<u>47.745</u>

2.2 Consolidated profit & loss account for the period ended November 30, 2014

(Amounts x €1.000)		Dec 2013 / Nov 2014	Dec 2012 / Nov 2013
		12 months	12 months
	Reference		
Net turnover	2.4.15	70.810	69.197
Change in work in process		<u>-954</u>	<u>272</u>
Operating income		69.856	69.469
Cost of raw materials and auxiliary materials		39.733	39.344
Costs of work contracted out and other external expenses		1.152	1.296
Salaries & wages	2.4.16	14.391	14.023
Social security charges		3.309	3.325
Depreciation in-/tangible fixed assets		912	918
Other operating costs	2.4.17	<u>6.448</u>	<u>6.944</u>
Operating costs		<u>65.945</u>	<u>65.850</u>
Operating result		3.911	3.619
Share in the result of minority participations		-2.350	0
Interest income		-333	-224
Interest expense	2.4.18	<u>47</u>	<u>40</u>
Net financial income/(expense)		<u>-2.636</u>	<u>-184</u>
Result from ordinary activities before taxation		6.547	3.803
Taxation on result from ordinary activities	2.4.19	-1.095	-907
Net result		<u><u>5.452</u></u>	<u><u>2.896</u></u>

2.3 Consolidated cash-flow statement

(Amounts x €1.000)	Dec 2013 / Nov 2014	Dec 2012 / Nov 2013
<u>Cash-flow from operating activities</u>		
Operating result	3.911	3.619
Adjustments for :		
Depreciation	912	918
Change in working capital :		
Increase/Decrease receivables	-1.977	-1.260
Increase/Decrease inventories	-4.011	-567
Increase/Decrease current liabilities	654	1.300
Increase/Decrease provisions	-67	-97
	<u>-5.401</u>	<u>-624</u>
	-578	3.913
Interest income	333	224
Interest expense	-47	-40
Income tax expense	<u>-1.095</u>	<u>-907</u>
	-809	-723
Cash-flow from operating activities	-1.387	3.190
<u>Cash-flow from investment activities</u>		
Investment in tangible & intangible fixed assets	-985	-1.085
Disposals tangible & intangible fixed assets	10	3
Other long term receivables/investments	1.887	29
Increase/Decrease short term investment	0	-82
Exch. rate diff. in investments (tangible)	<u>-71</u>	<u>37</u>
Cash-flow from investment activities	841	-1.098
<u>Cash-flow from financial activities</u>		
Share in the result of minority participations	2.350	0
Dividend to be paid	-1.625	-1.400
Interim Dividend paid	-368	0
Premium reserve	315	18
Adj. for movement translation	<u>112</u>	<u>-104</u>
Cash-flow from financial activities	784	-1.486
Increase/(Decrease) cash and banks	238	606
<u>Movement in cash and cash equivalents</u>		
Opening balance of cash and cash equivalents	4.052	3.446
Increase /(decrease) cash and banks	<u>238</u>	<u>606</u>
Closing balance of cash and cash equivalents	4.290	4.052

2.4 Notes to the consolidated financial statements for the year ended November 30, 2011

2.4.1 General

Group structure

On February 23rd, 2010 Banco Products limited, domiciled at Vadodara in India, purchased 100% of the Nederlandse Radiateurs Fabriek B.V. shares.

Activities

The principal activities of the company are the production and sale of radiator cores and complete radiators as well as heatexchange devices for shipbuilding and industry.

2.4.2 Principles of consolidation

The consolidated financial statements include the financial figures of Nederlandse Radiateurs Fabriek B.V. and its subsidiary group companies. The consolidation takes place according to the full consolidation method on the basis of uniform accounting principles.

Companies included in consolidation

The group comprises Nederlandse Radiateurs Fabriek B.V. and its subsidiary companies. A Company is considered a group company if that belongs to the economic unit of Nederlandse Radiateurs Fabriek B.V. and in which Nederlandse Radiateurs Fabriek B.V. exercises decisive control of the business and financial policies.

Consequently, the consolidated financial statements include the financial figures of Nederlandse Radiateurs Fabriek B.V. and the following group companies:

Name	Statutory seat	Percentage of shareholding
NRF Thermal Engineering BV	Uden	100 %
NRF France SARL	Valenciennes (France)	100 %
NRF (United Kingdom) LTD.	Birmingham (England)	100 %
NRF Handelsg.m.b.H.	Vienna (Austria)	100 %
NRF Deutschland GmbH	Emmerich (Germany)	100 %
NRF España S.A.	Granada (Spain)	100 %
NRF Poland sp.z.o.o.	Gdansk (Poland)	100 %
NRF Italia S.r.l.	Prato (Italy)	100 %
NRF Switzerland AG	Urdorf (Switzerland)	100 %

Application of condensed corporate profit and loss account

In respect of the profit and loss account of Nederlandse Radiateurs Fabriek B.V., use is made of article 402 Book 2 Title 9 Dutch Civil Code.

Therefore, this profit and loss account is presented in condensed format.

Cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and in hand and the bank overdraft forming part of the current liabilities. Cash flows in foreign currencies have been translated at estimated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Income and expenses in respect of interest, dividends received and taxation on profits are included in the cash flow from operating activities.

2.4.3 Accounting principles

Comparison with previous year

The basic accounting principles remained unchanged compared to the previous year.

Principles of valuation

General

The annual accounts are prepared in accordance with accounting principles generally accepted in the Netherlands. The annual accounts are prepared in Euro. Assets and liabilities are basically valued at nominal value.

Financial fixed assets

Deferred tax assets are stated under the financial fixed assets if, and to the extent it is probable, that the tax claim can be realised in due course. These deferred tax assets are valued at nominal value and have a predominantly long-term character.

The other receivables are valued at face value after deduction of any provisions.

Intangible fixed assets

Intangible fixed assets are related to expenditure on research activities. This expenditure is recognized as an expense in the period in which it is incurred. Dutch Gaap requires capitalization of development expenditures provided if, and only if, certain criteria can be demonstrated.

An internally-generated intangible fixed asset arising from the Company's development is recognized only if the Company can demonstrate all of the following conditions:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the probability that the asset created will generate future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The Internally-generated intangible fixed assets are amortized on a straight-line basis over their estimated useful lives of 5 years. The estimated useful lives and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Tangible fixed assets

Tangible fixed assets are valued at cost or, in case of own work capitalised, at manufacturing expenses, less accumulated depreciation. Impairment of assets as at the balance sheet date is taken into account. Depreciation is provided by the straight-line method over the estimated economic useful life.

The annual depreciation rates are as follows :-

Buildings	2.5 %
Plant and machinery	10 - 20 %
Other operating fixed assets	20 - 33 1/3 %

Impairment of fixed assets

On the balance sheet date, the group estimates whether there are any indications of an asset which could be subject to impairment. If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash generating unit to which the asset belongs, is identified. An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the higher of the realisable value and the value to the business.

Inventories

Inventories are valued at the lower of cost or market, whereby the cost for raw material and auxiliary materials are based on the first in first out principle. Cost consists of all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Indirect cost components are included in the cost.

Provisions are set up for slow moving and obsolete inventories.

Receivables

Receivables are stated at nominal value, less allowance for doubtful accounts where deemed necessary.

Short term investments

Short term investments are valued at nominal value.

Cash at banks and in hand

Cash at banks and in hand includes deposits with a maturity of less than twelve months.

Current account liabilities at banks, if any, are recognised bank overdrafts forming part of current liabilities

Provisions

Provisions are set up in respect of actual or specific risks and commitments existing at balance sheet date, of which the size is uncertain but can be estimated using a reliable method.

Current liabilities

Current liabilities are valued at nominal value.

Pension liabilities

The companies NRF UK and NRF BV, have a pension plan in place that qualifies as a defined contribution plan. The companies sole obligation is payment of the annual contribution to the insurance company of branch pension fund (PME).

The company does not form a provision for any future increases in the contributions.

Deferred tax liabilities

The provision for deferred tax liabilities, relating to future taxation resulting from differences in valuation of assets and liabilities for financial statement purposes and for tax purposes, is stated at nominal value, based on the prevailing national tax rates.

Deferred tax assets, including those resulting from loss carry- forwards, are valued if it can be reasonably assumed that these will be realized.

Warranty liabilities

The provision for guarantee liabilities, relating to expected claims of customers, is stated at nominal value.

Principles of determination of result

General

The result represents the difference between the realisable value of the goods delivered and services rendered and the costs and other charges for the year.

The results on transactions are recognised in the year in which they are realised; losses are taken as soon as they are foreseeable.

Revenue recognition

Income from the supply of goods is recognised as soon as all substantial rights and risks relating to the title of the goods are transferred to the customer.

Net turnover

Net turnover represents the amounts charged to third parties for goods delivered and services rendered in the financial year less discounts and exclusive of VAT.

Costs

Costs are recognised at the historical cost convention and are allocated to the reporting year to which they relate.

Depreciation

Depreciation on buildings and other intangible and tangible assets is based on the purchase price or production cost. Land is not depreciated. Depreciation is provided by the straight-line method over the estimated useful economic life.

Taxation

Taxation on result is computed by applying the current rate to the result of the financial year, taking into account permanent differences between profit calculations for financial purposes and those for tax purposes. These differences are incorporated in taxation on the result from ordinary activities.

Principles of conversion of foreign currencies

The company's primary activities are denominated in euros. Accordingly the company uses the euro as its functional currency. Transactions in foreign currencies are recorded in euros using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the euro are translated using the rate of exchange prevailing at the balance sheet date. Relating translation results are included in the income statement.

For consolidation purposes, the company classifies its subsidiaries as foreign entities. Assets and liabilities are translated at the closing exchange rates, whereas the income statement information is translated at the annual average exchange rate. Translation differences arising thereon are taken to shareholders equity.

2.4.4 Intangible fixed assets

(Amounts x €1.000)

	<u>R&D costs</u>
Balance as at November 30, 2013	268
Additions	42
Depreciation	<u>-62</u>
Balance as at November 30, 2014	248

The intangible fixed assets are related to expenditure for research and development.
The research and development cost are related to developing new products, new markets or to improving current products.
For the total amount of capitalized R&D expenses, the company has created a legal reserve within equity.

2.4.5 Tangible fixed assets

(Amounts x €1.000)

	Land and buildings	Plant and machinery	Other operating fixed assets	fixed assets under construction	Total
Cost :					
Balance as at November 30, 2013	10.802	23.823	3.977	518	39.120
Additions	13	219	95	615	942
Put into operation/Transfers	25	76	155	-256	0
Disposals	0	-352	-63		-415
Exchange differences	94	29	1		124
Balance as at November 30, 2014	<u>10.934</u>	<u>23.795</u>	<u>4.165</u>	<u>877</u>	<u>39.771</u>
Depreciation :					
Balance as at November 30, 2013	7.832	22.676	3.293		33.801
Charge for the year	149	432	269		850
Disposals	0	-344	-61		-405
Exchange differences	31	21	1		53
Balance as at November 30, 2014	<u>8.012</u>	<u>22.785</u>	<u>3.502</u>		<u>34.299</u>
Book value :					
Balance as at November 30, 2014	<u>2.922</u>	<u>1.010</u>	<u>663</u>	<u>877</u>	<u>5.472</u>
Balance as at November 30, 2013	<u>2.970</u>	<u>1.147</u>	<u>684</u>	<u>518</u>	<u>5.319</u>

2.4.6 Financial fixed assets

(Amounts x €1.000)	Minority Participations	Loan LCL Ltd	Deferred Tax Receivables	Total
Balance as at November 30, 2013	4.340	2.939	208	7.487
Additions	0	2.200	162	2.362
Exchange rate differences	0	257	0	257
Utilisations	-4.340	-152	-14	-4.506
Balance as at November 30, 2014	0	5.244	356	5.600

The above tax receivable represents a long term fiscal valuation difference per November 30, 2014. The minority participation concerns an investment of 24 % in the issued capital of the company Lake Cement Ltd located in Kimbiji, near Dar es Salaam, in Tanzania which shares were sold in August 2014.

In October 2012, NRF has provided a financial loan to LCL for an amount of 4.0 M\$. The loan is interest bearing and will be repaid within 6 years. The amount due within a year is 0.8 M\$.

In January 2014, NRF has provided an additional loan to LCL for an amount of 2.2 M€. The loan is interest bearing and will be repaid within 2 years. The amount due within a year is 0.825 M€.

2.4.7 Inventories

Inventories can be broken down as follows:

(Amounts x €1.000)	30.11.14	30.11.13
Raw materials and auxiliary materials	4.336	4.824
Work in process	835	1.790
Finished goods	15.698	10.244
	20.869	16.858

The total amount of Inventories includes a provision for slow moving and obsolete inventories of 1.131 k€ (30 november 2013, 1.223 k€).

2.4.8 Receivables

Receivables can be broken down as follows:

(Amounts x €1.000)	30.11.14	30.11.13
Trade accounts receivable	12.937	12.738
Prepayments and accrued income	550	235
Other receivables	2.169	706
	15.656	13.679

Note: Receivables in total can be considered as short-term.

The total amount of Trade accounts receivable includes a provision for doubtful accounts of 902 k€ (30 november 2013, 907 k€).

The above other receivables includes the remaining amount of the sale of shares LCL Ltd.

2.4.9 Short term investments

	30.11.14	30.11.13
(Amounts x €1.000)		
Short term investments	82	82

2.4.10 Cash at banks and in hand

	30.11.14	30.11.13
(Amounts x €1.000)		
Cash in banks and in hand	4.290	4.052

Note: All cash is freely available to the company

2.4.11 Shareholder's equity

For a specification of the components and the movements of those components, reference is made to the corporate financial statements.

2.4.12 Provisions

Movements in provisions are specified as follows:

(Amounts x €1.000)

	Deferred tax liabilities	Warranty provision	Total
Balance as at November 30, 2013	692	207	899
Additions	37	178	215
Utilisations	-90	-193	-283
Balance as at November 30, 2014	639	192	831

Of which the following amounts
can be considered short term

192 192

2.4.13 Current liabilities

Current liabilities are stated as follows:

(Amounts x €1.000)

	30.11.14	30.11.13
Trade accounts payable	4.470	4.751
Taxes and social security charges	1.707	1.542
Dividend to be paid	1.625	1.400
Other liabilities and accruals	4.475	3.930
	12.277	11.623

The other liabilities and accruals includes a payable related to Banco Ltd for an amount of 368 k€ (30 november 2013, 0 k€).

2.4.14 Contingencies and commitments not included in the balance sheet

(Amounts x €1.000)	(total)	(<1 year)	(1-5 year)
Lease commitments (The term of the lease commitments is 3 to 5 years.)	1.833	1.079	754
Lease expenses during fiscal year	1.070		

The company maintains credit agreements with banks in the Netherlands .

The total and fully unused lines of credit at November 30, 2014 amounted to € 3,5 million.

These credit facilities are unsecured.

2.4.15 Net turnover

(Amounts x €1.000)	Dec 2013/ Nov 2014	Dec 2012/ Nov 2013
The Netherlands	8.246	9.733
Other EU countries	55.762	53.251
Other European countries	3.059	3.731
Other countries	3.743	2.482
Total Net turnover	70.810	69.197

2.4.16 Salaries, wages and social security charges

(Amounts x €1.000)	Dec 2013/ Nov 2014	Dec 2012/ Nov 2013
Salaries and wages	14.391	14.023
Pension charges	1.139	1.185
Other social security charges	2.170	2.140
	17.700	17.348

During 2014 an average of 306 FTE were employed by the company,
divided by location as follows :

	30.11.14	30.11.13
Nederlandse Radiateuren Fabriek B.V.	176	177
NRF France SARL	21	21
NRF (United Kingdom) LTD.	27	24
NRF Handelsg.m.b.H	5	5
NRF Deutschland GmbH	9	7
NRF España S.A.	54	58
NRF Poland sp.z.o.o.	11	5
NRF Italia S.r.l.	7	6
	310	303

2.4.17 Other operating costs

These costs refer mainly to selling, general, and administration expenses.

The total costs for research and development, including depreciation intangible fixed assets, amounted to 157 k€ (2013: 130 k€).

The total gain related to exchange rate differences amounted to k€ 294 (2013: -200 k€).

2.4.18 Interest charges

(Amounts x €1.000)	Dec 2013/ Nov 2014	Dec 2012/ Nov 2013
Interest Income and expenses from credit institutions	-2	-12
Interest paid to credit institutions	47	40
Interest income loan L.C.L.	-331	-212
	<u>-286</u>	<u>-184</u>

2.4.19 Taxation on result on ordinary activities

(Amounts x €1.000)	Dec 2013/ Nov 2014	Dec 2012/ Nov 2013
Result before taxation in the consolidated annual accounts	6.547	3.803
Tax charges	1.095	907
Effective tax rate	<u>17%</u>	<u>24%</u>

In the European countries where NRF has operations the tax rates vary between 20% and 40%.

2.4.20 Remuneration for Supervisory Board and Board of Directors

In 2014 the total remunerations to the Supervisory Board and Board of Directors of NRF B.V. amounted to € 12.926 respectively € 367.504.

2.4.21 Related party transactions

NRF B.V. conducts business with other Banco companies. Transactions have been completed for purchases of goods.

Pricing is established on the basis of arms-length principles,

(Amounts x €1.000)	Dec 2013/ Nov 2014
Banco group companies goods sales	63
Banco group companies goods purchases	4.746
Banco group companies machineries/tools purchases	59

2.5 Company balance sheet as at November 30, 2014.
(after appropriation of results)

Amounts x €1.000		30.11.14	30.11.13
ASSETS	<i>Reference</i>		
FIXED ASSETS			
Intangible fixed assets	2.7.1	141	134
Tangible fixed assets	2.7.2	3.481	3.413
Financial fixed assets	2.7.3	<u>16.518</u>	<u>18.853</u>
		20.140	22.400
CURRENT ASSETS			
Inventories	2.7.4	14.343	12.237
Receivables	2.7.5	11.439	7.304
Cash and bank balances	2.7.6	<u>1.134</u>	<u>1.818</u>
		26.916	21.359
Total assets		<u><u>47.056</u></u>	<u><u>43.759</u></u>
SHAREHOLDER'S EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY	2.7.7		
Issued capital		114	114
Premium reserve		9.943	9.628
Legal reserve		248	268
Translation adjustment		-582	-694
Retained earnings		<u>29.386</u>	<u>25.907</u>
		39.109	35.223
PROVISIONS	2.7.8	700	791
CURRENT LIABILITIES	2.7.9	7.247	7.745
Total liabilities		<u><u>47.056</u></u>	<u><u>43.759</u></u>

2.6 Company Profit and loss account for the year ended November 30, 2014

Amounts x €1.000	<u>30.11.14</u>	<u>30.11.13</u>
Income from investments in group companies after taxation	3.902	1.021
Other income and expense after taxation	1.550	1.875
Result after taxation	<u>5.452</u>	<u>2.896</u>

2.7 Notes to the financial statements for the year ended November 30, 2014

The accounting principles for the corporate financial statements are in line with those applied for the consolidated financial statements.

Financial fixed assets are valued at their net asset value as NRF B.V. holds 100% participations only. In case were the participation's net asset value is negative it is valued at nil. If the company is wholly or partially liable for the debts of such participations or it has the firm intention to enable the participation to settle its debts, a provision is formed.

2.7.1 Intangible fixed assets

(Amounts x €1.000)	<u>R&D Costs</u>
Balance as at November 30, 2013	134
Additions	43
Depreciation	<u>-36</u>
Balance as at November 30, 2014	141

The intangible fixed assets are related to expenditure for research and development, with the goal to develop new products or to improve current products.

2.7.2 Tangible fixed assets

The movement in tangible fixed assets is as follows:

(Amounts x €1.000)	Land and buildings	Plant and machinery	Other fixed assets	Fixed assets under construction	Total
Cost :					
Balance as at November 30, 2013	8.081	18.340	3.040	496	29.957
Additions	0	49	48	614	711
Put into operation	25	53	155	-233	0
Disposals	<u>-93</u>	<u>-353</u>	<u>-54</u>		<u>-500</u>
Balance as at November 30, 2014	<u>8.013</u>	<u>18.089</u>	<u>3.189</u>	<u>877</u>	<u>30.168</u>
Depreciation :					
Balance as at November 30, 2013	6.557	17.564	2.423		26.544
Charge for the year	74	328	232		634
Disposals	<u>-93</u>	<u>-344</u>	<u>-54</u>		<u>-491</u>
Balance as at November 30, 2014	<u>6.538</u>	<u>17.548</u>	<u>2.601</u>		<u>26.687</u>
Book value :					
Balance as at November 30, 2014	<u>1.475</u>	<u>541</u>	<u>588</u>	<u>877</u>	<u>3.481</u>
Balance as at November 30, 2013	<u>1.524</u>	<u>776</u>	<u>617</u>	<u>496</u>	<u>3.413</u>

2.7.3 Financial fixed assets

Financial fixed assets solely relate to investments in group companies and the movements were as follows:

(Amounts x €1.000)	Minority Participations	Loan LCL Ltd	Investments in group Companies	Total
Book value as of November 30, 2013	4.340	2.939	11.574	18.853
Additions	0	2.200	0	2.200
Result of group companies	0	0	1.952	1.952
Dividend received from group companies	0	0	-1.650	-1.650
Exchange rate differences	0	257	113	370
Utilisation	-4.340	-152	0	-4.492
Other	0	0	-715	-715
Book value as of November 30, 2014	0	5.244	11.274	16.518

The negative net equity of NRF Austria per November 30, 2014 of 91.000 euros has been excluded from the investment value. This amount has been deducted from the group companies receivables due from NRF Austria.

The minority participation concerns an investment of 24 % in the issued capital of the company Lake Cement Ltd located in Kimbiji, near Dar es Salaam, in Tanzania which shares were sold in August 2014.

In October 2012, NRF has provided a financial loan to LCL for an amount of 4.0 M\$. The loan is interest bearing and will be repaid within 6 years. The amount due within a year is 0.8 M\$. In January 2014, NRF has provided an additional loan to LCL for an amount of 2.2 M€. The loan is interest bearing and will be repaid within 2 years. The amount due within a year is 0.825 M€.

In October 2014, the group company NRF BVBA is liquidated. The net equity is stated under other investments in group companies.

2.7.4 Inventories

Inventories are stated as follows:

(Amounts x €1000)	30.11.14	30.11.13
Raw materials and auxiliary materials	3.493	4.005
Work in process	803	1.737
Finished goods	10.047	6.495
	<u>14.343</u>	<u>12.237</u>

The total amount of Inventories includes a provision for slow moving and obsolete inventories of 1.105 k€ (30 november 2013, 1.199 k€).

2.7.5 Receivables

Receivables are stated as follows:

(Amounts x €1000)	30.11.14	30.11.13
Trade accounts receivable	1.195	3.270
Amounts due from group companies	7.766	3.436
Taxes and social security	494	488
Prepayments and accrued income	308	110
Other receivables	1.676	0
	<u>11.439</u>	<u>7.304</u>

Receivables in total can be considered as short-term.

The total amount of Trade accounts receivable includes a provision for doubtful accounts of 425 k€ (30 november 2013, 425 k€).

The amounts due from group companies includes a payable related to Banco Ltd for an amount of 368 k€ (30 november 2013, 242 k€ receivable).

The above other receivables represents the remaining amount of the sale of shares LCL Ltd.

2.7.6 Cash at banks and in hand

The item cash and cash equivalent in the cash flow statement comprise the following :

(Amounts x €1000)	30.11.14	30.11.13
Cash in banks and in hand	<u>1.134</u>	<u>1.818</u>

2.7.7 Shareholder's equity

Share Capital

The authorised share capital of the company as at November 30, 2013 amounts to EUR 567.225 and consists of 125.000 ordinary shares of EUR 4,54 each. Issued share capital amounts to EUR 113.500 and consists of 25.000 ordinary shares with a nominal value of EUR 4,54 each.
The issued capital is fully paid-in.

Legal reserves, statutory reserves and other reserves

(Amounts x €1.000)	Issued capital	Premium reserve	Legal reserve	Cumulative translation adjust.	Retained earnings
Balance as at November 30, 2013	114	9.628	268	-694	25.907
Additions		315			
Utilisations			-20		20
Movement translation adjustment				112	
Result appropriation					3.459
Balance as at Nov 30th , 2014	114	9.943	248	-582	29.386

2.7.8 Provisions

Movements in provisions are specified as follows:

(Amounts x €1.000)	Deferred tax liabilities	Warranty liabilities	Total
Balance as at November 30, 2013	584	207	791
Additions	14	178	192
Utilisations	-90	-193	-283
Balance as at November 30, 2014	508	192	700

The provisions have mainly a long term character. The majority of the warranty liability will be utilized within 12 month.

2.7.9 Current liabilities

Current liabilities are stated as follows:

	30.11.14	30.11.13
(Amounts x €1.000)		
Trade accounts payables	3.644	4.048
Taxes and social security charges	678	860
Dividend to be paid	1.625	1.400
Other liabilities and accruals	1.300	1.437
	<u>7.247</u>	<u>7.745</u>

2.7.10 Audit Cost

The financial statements are audited by BDO Audit & Assurance.
The total costs incurred against the income for 2014 are € 37.000.

2.7.11 Contingencies and commitments not included in the balance sheet

Contingencies

The company takes responsibility for liabilities, arising from legal acts of NRF Thermal Engineering B.V.
The company is together with all Dutch investments in group companies jointly and severally liable to the credit institution.

Commitments

(Amounts x €1.000)

	(total)	(<1 year)	(1-5 year)
Lease commitments: (The term of the lease commitments is 3 to 5 years.)	768	399	370
Lease expenses during fiscal year	474		

2.7.12 Taxation


Nederlandse Radiatoren Fabrik B.V. and NRF Thermal Engineering B.V. are a fiscal unit under Dutch tax law.

Mill,
February 13th, 2015

Board of Directors

A stylized signature in purple ink, consisting of several overlapping loops and a long horizontal stroke.

F.A.E. Toebes


A stylized signature in purple ink, featuring a large 'R' and 'P' intertwined.

Th.H.W.M. Reintjes

Supervisory Board:

A stylized signature in black ink, with a prominent 'W' and 'P'.

M. Patel

A stylized signature in black ink, with a prominent 'S' and 'T'.

S. Thakker

A stylized signature in black ink, with a prominent 'R' and 'K'.

R.H. van het Kaar

To the board of directors of Nederlandse Radiateuren Fabriek B.V.

Ref.: 25065/AG/MB/15.0311

Independent Auditors' Review report

Engagement

We have reviewed the accompanying consolidated interim financial information of Nederlandse Radiateuren Fabriek B.V. with its statutory seat in Mill, The Netherlands, which comprises the income statement for the period January 1st 2015 up to and including March 31st 2015. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with Dutch Standard 394, 'Interim Financial Reporting' and Dutch General Accepted Accounting Principles. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information for the three-month period ended March 31st 2015 is not prepared, in all material respects, in accordance with Dutch Standard 394, 'Interim Financial Reporting' and Dutch General Accepted Accounting Principles.

We would like to express that we have not performed review or audit procedures on the comparative figures in the accompanying consolidated interim financial information of Nederlandse Radiateuren Fabriek B.V. Accordingly, we do not provide any assurance on these comparative figures.

Nijmegen, April 30th, 2015

For and on behalf of BDO Audit & Assurance B.V.,

B.J. Scholten RA

For identification purposes only:

BALANCE SHEET AS AT 31th Mar 2015

(Euro'000)

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds:			
(a)	Share Capital	2	113,50	113,50
(b)	Reserves and Surplus	3	41345,87	35266,86
2	Non-Current Liabilities:			
(a)	Long-Term Borrowings	4	0,00	0,00
(b)	Deferred Tax Liabilities (Net)	5	426,38	603,32
(c)	Long-Term Provisions	6	0,00	0,00
3	Current Liabilities:			
(a)	Short-Term Borrowings	7	0,00	4123,57
(b)	Trade Payables	8	5369,28	5301,24
(c)	Other Current Liabilities	9	4915,40	5266,94
(d)	Short-Term Provisions	6	0,00	0,00
	Total		52170,42	50675,43
II	ASSETS			
1	Non-Current Assets:			
(a)	Fixed Assets	10		
(i)	Tangible Assets		4484,13	4694,90
(ii)	Intangible Assets		231,10	255,72
(iii)	Capital Work-in-Progress		1067,32	693,02
(b)	Non-Current Investments	11	81,60	4421,77
(c)	Long-Term Loans and Advances	12	5359,85	5100,65
2	Current Assets:			
(a)	Inventories	13	21142,58	19994,62
(b)	Trade Receivables	14	12765,43	12819,96
(c)	Cash and Bank Balances	15	3863,13	1745,69
(d)	Short-Term Loans and Advances	12	3175,28	949,10
	Total		52170,42	50675,43

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31TH MAR 2015

(Euro'000)

Particulars		Note No.	2014-15	2013-14
I	INCOME			
	Revenue from Operations	16	74267,42	75305,76
	Less:-Excise Duty			
	Sales and Operation Income (Net)		74267,42	75305,76
	Other Income	17	2350,35	
	Total Revenue		76617,76	75305,76
II	EXPENSES			
	Cost of Raw material Consumed	18	40792,91	40319,67
	Changes in inventories of finished goods work-i	19	-1701,69	-1237,75
	Employee Benefit Expenses	20	9218,70	8728,23
	Finance Costs	21	-251,95	-114,92
	Depreciation	22	962,66	920,56
	Other Expenses	23	20355,90	21718,35
	Total Expenses		69376,53	70334,15
III	Profit Before Tax		7241,23	4971,61
IV	Tax Expenses			
	Current Tax		1158,74	1247,44
	Deferred Tax			
	Tax Adjustment of Earlier year			
	Total Tax Expenses		1158,74	1247,44
V	Profit for the Period		6082,49	3724,17
	Earning Per Equity Share (Face Value of Rs. 10 each)			
	Basic & Diluted Earning per Shares		243,30	148,97
	See accompanying notes to the Financial Sta	1-40		

Notes 2 - Share Capital

Notes 2 - Share Capital

Particulars		As at 31.03.2015	As at 31.03.2014	
		(Euro'000)		
Equity Share Capital Authorised Equity Share of Rs.10 each Total		567,50	567,50	
		567,50	567,50	
		567,50	567,50	
		113,50	113,50	
		113,50	113,50	
Issued, Subscribed & Fully Paid Up Equity Share of Rs.10 each Total		113,50	113,50	
a A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period				
Particulars	As at 31.03.2015		As at 31.03.2014	
	No.in Lacs	(Euro'000)	No.in Lacs	(Euro'000)
At the beginning of the period	25000,00		25.000,00	
Bonus Shares Issued during the year				
Outstanding at the end of the period	25000,00		25.000,00	
b Terms and Rights attached to Equity Shares				
For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.				
(Euro'000)				
c	Shares allotted as fully paid up by way of Bonus Shares (During 5 Years preceding March 31, 2012)		As at 31.03.2015	As at 31.03.2014
1				
d Share in the company held by each shareholder holding more than 5 % shares				
Name of the Shareholder	2012-13		2013-14	
	No.in Lacs	%	No.in Lacs	%
1				
2				
3				
4				
5				

Note 3 - Reserves and Surplus

(Euro'000)

Particulars		As at 31.03.2015	As at 31.03.2014
a	Revaluation Reserve (Translation Adj.)		
	Opening Balance	-673,70	-719,36
	Less: Depreciation Written off during the year	-364,94	-45,66
	Closing Balance	-308,76	-673,70
b	General Reserve		
	Opening Balance	9061,00	9061,00
	Add: Amount transferred from the Statement of Profit and Loss		
	Less: Utilised for Issue of Bonus Shares		
	Closing Balance	9061,00	9061,00
c	Surplus in Statement of Profit and Loss		
	Opening Balance	26879,56	26055,39
	Net Profit after tax for the year	6082,49	3724,17
	Less : Appropriations		
	Proposed Dividend	368,42	2900,00
	Corporate Dividend Tax		
	Transferred to General Reserve		
	Closing Balance	32593,63	26879,56
	Total	41345,87	35266,86

NEDERLANDSE RADIATEUREN FABRIEK BV
Langenboomseweg 64
5451 JM MILL
NEDERLAND



Note 4 - Long-Term Borrowings

(Euro'000)

Particulars		As at 31.03.2015	As at 31.03.2014
a From Banks			
Term Loan from Standard Chartered Banks (Secured)			
Total		0,00	0,00
b Fixed Deposits - Unsecured			
Total		0,00	0,00
Total		0,00	0,00

Note:-

1	Term Loan are Secured by hypothecation of Fixed Assets of the Company acquired out of the Term Loan
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Note 5 - Deferred Tax Liability (Net)

(Euro'000)

Particulars		As at 31.03.2015	As at 31.03.2014
Deferred Tax Liability			
Difference between book depreciation and tax depreciation		641,69	691,76
Total		641,69	691,76
Deferred Tax Assets			
Expenses allowable under tax on payment basis		215,31	88,44
Total Deferred Tax Assets		215,31	88,44
Closing Net Deferred Tax Liability		426,38	603,32
Opening Net Deferred Tax Liability			
Charged to Statement of Profit and Loss			

Note 6 - Provisions

(Euro'000)

Particulars		Non Current		Current	
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Provision for Gratuity					
Provision for Leave Encashment					
Provision for Proposed Equity Dividend					
Provision of Tax (Net of Advance Tax)					
Tax on Proposed Equity Dividend					
Total		0,00	0,00	-	-

Note 7 - Short-Term Borrowings

(Euro'000)

Particulars		As at 31.03.2015	As at 31.03.2014
a Loans Repayable on Demand			
From Banks		0,00	4123,57
Working Capital Loan from Banks - Secured			
State Bank of India			
Standard Chartered Bank			
Total		0,00	4123,57
b Fixed Deposits- Unsecured			
Total		0,00	4123,57

Note:-

1	Working Capital Loans are Secured ranking pari-passu by hypothecation of Stocks and Book Debts of the Company. Further the same are secured by Equitable mortgage of Immovable Properties of the Company.
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Note 8 - Trade Payables

(Euro'000)

Particulars		As at 31.03.2015	As at 31.03.2014
Trade Payables		5369,28	5301,24
(Refer note: 26)			
Total		5369,28	5301,24

Note 9 - Other Current Liabilities

(Euro'000)

Particulars		As at 31.03.2015	As at 31.03.2014
Current Maturities of Long-Term Debt-Fixed Deposits			
Current Maturities of Long-Term Debt-Others			
Statutory Liabilities		135,40	124,96
Interest Accrued but not due on Borrowings		0,00	9,72
Unclaimed Dividend #			
Advance from Customers			
A/P Banco Products India Ltd		0,00	461,76
Other Payables		4779,99	4671,39
Total		4915,40	5266,94

NEDERLANDSE RIJSTEDING

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2014	Additions	Deduction Others	As at 31st Mar 2015	As at 1st April 2014	For the year	Deduction Others	As at 31st Mar 2015	As at 31st Mar 2015	As at 31st March 2014
I Tangible Assets										
a. Freehold Land	545,56	37,01		582,57	-			-	582,57	545,56
b. Buildings	10272,53	289,79		10,562,32	7,883,06	253,05		8,136,11	2,426,22	2,389,47
c. Plant and machinery	23266,48		56,79	23,209,69	22,133,52	160,35		22,293,87	915,82	1,132,96
d. Furniture & fixtures	3884,01	164,01		4,048,02	3,317,79	220,09		3,537,88	510,14	566,22
e. Vehicles	117,76	9,34		127,11	57,07	20,66		77,73	49,38	60,69
f. Other Assets	0,00			-	-			-	-	-
II Intangible Assets										
a. Research and development	179,70	49,98		229,68	57,67	38,95		96,62	133,06	122,03
b. Goodwill	133,69			133,69	-	35,65		35,65	98,04	133,69
Total	38399,73	550,14	56,79	38,893,08	33,449,11	728,74	-	34,177,85	4,715,22	4,950,62
Previous year										
Capital Work in Progress									1067,324	693,015

Note 11 - Investments

Non - Current Investments

(Euro'000)

Particulars	As at 31.03.2015	As at 31.03.2014
Other Investments (Building Spain)	81,60	81,60
Unquoted- Fully Paid up Equity shares of Rs each		
Quoted- Fully Paid up Equity Shares of Rs. Each	0,00	4340,17
Total Non- Current Investment	81,60	4421,77

Particulars	As at 31.03.2015	As at 31.03.2014
Market Value of Quoted Investments Equity Investments		

Note 12 - Loans and Advances

(Euro'000)

Particulars	Non Current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
(Unsecured, Considered good)				
Capital Advances	3359,85	5100,65	1458,12	
Security Deposit				
Others Loans and Advances				
Advance tax (Net of provision for taxation)				
Balance with Government Authorities				
Prepaid expenses			1.604,11	949,10
Interest receivable on Fixed Deposits				
Advance to Vendors				
Advance to Employees				
Other Advances (Banco Ltd)			113,05	
Total	3359,85	5100,65	3.175,28	949,10

Note 13 - Inventories (At lower of Cost or Net Realisable Value)

(Euro'000)

Particulars	As at 31.03.2015	As at 31.03.2014
Raw Materials	5106,72	5660,43
Work-in-Progress	876,59	1302,38
-Aluminium Ingots and Billets		
Finished Goods	14717,37	12556,61
-Aluminium Extruded Sections		
Stores , Spares , Packing Materials & Others		
Stores in Transit	441,89	475,18
Total	21142,58	19994,62

(As per Inventories taken, valued and Certified by the Management)

Note 14 - Trade Receivables

(Euro'000)

Particulars	As at 31.03.2015	As at 31.03.2014
(Unsecured ,Considered good)	12765,43	12819,96
Trade Receivables overdue for a period more than six months	0,00	0,00
Others		
Total	12765,43	12819,96

Note 15 - Cash and Bank Balances

(Euro'000)

Particulars	As at 31.03.2015	As at 31.03.2014
Cash and Cash Equivalents		
Cash on hand	31,00	21,26
Balances with banks		
In Current Accounts	3832,14	1724,44
Total	3863,13	1745,69
Other Bank Balances		
Earmarked Bank Deposits		
Earmarked Current Account (Dividend)		
Total	0,00	0,00
Total	3863,13	1745,69

Note 16 - Revenue from Operations

(Euro'000)

Particulars	2014-15	2013-14
Sale of Product		
Aluminium Extrusions Sections		
Others	73668,10	74614,58
Total (a)	73668,10	74614,58
Sale of Services		
Other Operating Revenue	599,31	691,18
Export Incentives		
Total (a+b+c)	74267,42	75305,76
Sales and Operation Income (Net)	74267,42	75305,76

Note 17 - Other Income

(Euro'000)

Particulars	2014-15	2013-14
Interest		
From Fixed Deposits		
From Income Tax Refund		
Dividend		
From Non- Current Investments		
Other Non Operating Income		
Bad Debts Recovered		
Sundry Balance/Provision Written Back		
Profit on Sale of Assets		
Rent Received		
Income From MCX Transactions (Net)		
Foreign Gain and loss		
Other Non Operating Income (Result sell shares LCI.)	2350,35	
Total	2350,35	0,00
Total	2350,35	0,00

Note 18- Cost of Raw Material Consumed

(Euro'000)

Particulars	2014-15	2013-14
Opening stock	5660,45	5174,36
Add : Purchases (net)	40239,18	40805,77
Total	45899,63	45980,13
Less : Closing stock	5106,72	5660,45
Total	40792,91	40319,67
Detail of Raw Material Consumed		
Aluminium Ingots and Billets		
Others		
Total	0,00	0,00
Detail of Raw Material Consumed		
Imported items (including canalized items at landed cost)		
% to Raw material consumption	0,00	0,00
Indigenous items		
% to Raw material consumption	0,00	0,00
Total	0,00	0,00

Note 19 - Increase/(Decrease) in Inventories

(Euro'000)

Particulars	2014-15	2013-14
Closing Stock		
Work-in-Progress	876,59	1302,38
Finished Goods	15159,27	13031,79
Total	16035,86	14334,17
Opening Stock		
Work-in-Progress	1302,38	1375,00
Finished Goods	13031,79	11721,42
Total	14334,17	13096,42
Net Changes in Inventories	1701,69	1237,75
Increase/Decrease in Excise Duty on FGS		
Changes in Inventories	1701,69	1237,75

Note 20 - Employee Benefit Expenses

(Euro'000)

Particulars	2014-15	2013-14
Salaries and Wages	7236,60	6773,85
Contribution to Provident and Other Funds	1705,34	1698,27
Staff Welfare Expenses	276,76	256,11
Total	9218,70	8728,23

Note 21 - Finance Cost

(Euro'000)

Particulars	2014-15	2013-14
Interest on Fixed Deposits		
Interest on Term Loans		
Interest on Cash Credit		
Interest on Working Capital Demand Loans		
Interest on Other Borrowings	-338,44	-198,02
Finance/Bank Charges	86,48	83,11
Total	-251,95	-114,92

Note 22 - Depreciation

(Euro'000)

Particulars	2014-15	2013-14
Depreciation on Tangible Assets	888,06	889,80
Depreciation on Intangible Assets	74,60	30,76
Total	962,66	920,56
Less : Recoupment from Revaluation Reserves		
Total	962,66	920,56

Note 23 - Other Expenses

(Euro'000)

Particulars	2014-15	2013-14
Manufacturing Expenses		
Stores Tools & Dies Consumed		
Power & Fuel	636,00	809,23
Labour Charges	8507,23	8789,19
Repairs to Plant & Machinery	408,11	443,00
Repairs to Electric Installation		
Factory General Expenses	1455,01	1721,36
Insurance Premium on Assets	63,20	58,20
Administrative Expenses		
Payment to Auditors (Refer Detail Below)	112,43	67,94
Rent Rates & Taxes	35,59	39,61
Stationary & Printing Expenses	59,62	65,24
Postage & Telephone Expenses	26,40	21,80
Repairs to Building	49,86	64,38
Sundry Repairs	286,63	316,25
Travelling/Conveyance & Vehicle Expenses	30,49	52,25
Miscellaneous Expenses	258,68	287,54
Donation		
Exchange Loss (Net)	-1151,73	247,50
Legal & Professional Expenses	168,95	426,07
Bad Debts Written Off	79,79	-26,05
Selling & Distribution Expenses		
Commission & Discount	3957,34	3251,56
Advertisement & Sales Promotion	746,84	636,86
Other Selling Expenses	1324,50	1452,63
Export Expenses & Freight	3300,98	2993,80
Packing Materials		
Total	20355,90	21718,35

(Euro'000)

Payment to Auditors	2014-15	2013-14
As Auditor :		
Statutory Audit fee	97,43	56,64
Tax Audit Fees	15,00	11,30
Other services (Certification)		
Out of Pocket Expenses		
Total	112,43	67,94