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## **GRAPHITE INTERNATIONAL B.V.**

**at Rotterdam**

**Unconsolidated figures over the  
period 1 April 2014 till 31 March 2015**



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To the Shareholders and Board of Directors of  
Graphite International B.V.  
Schiphol Boulevard 231  
1118 BH AMSTERDAM

Ref.: WdJ/MS/11856  
Rotterdam, 12 May 2015

Dear Sirs,

Following your request we have audited the financial statements of Graphite International B.V., Rotterdam, over the period 1 April 2014 till 31 March 2015, included in this report. On 12 May 2015 we issued our audit opinion on these financial statements. Our audit opinion is included under the paragraph Other information.

#### General

##### Appropriation of the profit for the period 1 April 2013 till 31 March 2014

The net profit of the period 1 April 2013 till 31 March 2014 has been added to the general reserve in accordance with the decision of the General Meeting of Shareholders, following the proposed profit appropriation included in the annual accounts 2013/2014.

##### Proposed appropriation of the loss for the period 1 April 2014 till 31 March 2015

It is proposed that the General Meeting of Shareholders will add the profit for the period 1 April 2014 till 31 March 2015 to the general reserve. This proposed result appropriation has not been incorporated in the financial statements.

*Corporate income tax*

Graphite International B.V. is independently taxable for 2014/2015 corporation taxes. The unconsolidated taxable amount has been calculated as follows:

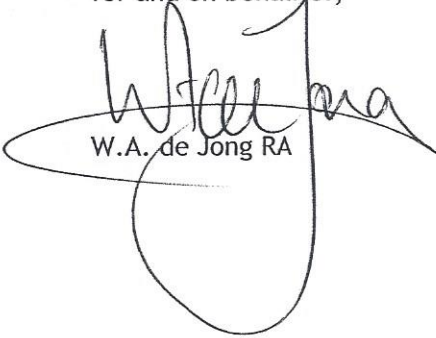
	2014/2015 (in euros)
Net income	311.234
Add: Non-deductible withholding taxes	<u>41.904</u>
	353.138
Less: Compensable losses	<u>271.742</u>
Taxable amount	<u><u>81.396</u></u>

Part of the net income 2014/2015 can be compensated with the fiscal losses of prior years, amounting to € 271.742. Over the remaining taxable amount of € 81.396 is 20% corporate income tax calculated, amounting to an amount of € 16.278. The taxes on income in the consolidated profit and loss account for 2014/2015 can be specified as follows:

	2014/2015
Taxes on income Graphite International B.V.	16.278
Taxes on income German entities	<u>-14.092</u>
	<u><u>2.186</u></u>

Please do not hesitate to contact us if you require further details.

Yours sincerely,  
BDO Audit & Assurance B.V.,  
for and on behalf of,



W.A. de Jong RA



# **MANAGEMENT REPORT**

Management Report for 01-April-2014 to 31-March-2015

1. The Company is a wholly owned subsidiary of Graphite India Limited, India.
2. Graphite International B.V. is a holding company, managing and financing its subsidiaries and exploiting its trademarks and patents. The Company trades in raw materials and goods, and provides (under lease agreements) machinery and equipment related to the graphite and carbon industry. The Company will persevere in its efforts to explore further opportunities in this line of business.

The Company is the owner of trademark 'COVA' and Graphite Electrodes manufactured by the German subsidiary are marketed under this brand.

Earning by way of Patents and Trademarks was Euro 419,047 during the year.

3. **Subsidiaries:**

The following are the four subsidiaries of the Company, based in Germany, (hereinafter referred commonly as the Graphite Cova Group Companies) :

- Graphite Cova GmbH
- Bavaria Electrodes GmbH
- Bavaria Carbon Specialities GmbH
- Bavaria Carbon Holdings GmbH

4. **Financial Performance:**

The financial performance of the Company is given in the following Table -

All figures in thousand Euro

Particulars	Graphite International B.V.		Graphite International B.V. Group	
	2014-15	2013-14	2014-15	2013-14
<b>INCOME</b>				
Revenue from operations	419	372	38,736	36,617
Other Income	-	3	1,333	978
<b>Total Revenue</b>	<b>419</b>	<b>375</b>	<b>40,069</b>	<b>37,595</b>
Less: Operating expenses	108	110	41,115	45,589
<b>Profit/(Loss) before Finance Cost and depreciation</b>	<b>311</b>	<b>265</b>	<b>(1,046)</b>	<b>(7,994)</b>
Less : Finance Cost	-	-	615	923
<b>Profit/(Loss) before depreciation and tax</b>	<b>311</b>	<b>265</b>	<b>(1,661)</b>	<b>(8,917)</b>
Less : Depreciation	-	-	599	533
<b>Profit/(Loss) before taxation</b>	<b>311</b>	<b>265</b>	<b>(2,260)</b>	<b>(9,450)</b>
Less: Provision for taxation	16	-	2	(104)
Less: Deferred Tax Assets				
<b>Profit/(Loss) for the year</b>	<b>295</b>	<b>265</b>	<b>(2,262)</b>	<b>(9,346)</b>

## 5. Discussion on Operation of Subsidiaries:

The manufacturing facilities of Subsidiary Companies comprise three divisions namely Graphite Electrodes, Graphite Specialties and Coating, all located in Roethenbach, Germany. The Graphite Electrodes division manufactures Graphite electrodes for use in Electric Arc Furnace (EAF) based steel mills. The Specialties division manufactures graphite/carbon based machined components, crucibles, therapeutic carbon, carbon brushes, heating elements, pumps, bricks and a host of other products for a variety of applications in chemical, electrical, electronic and mechanical engineering industries. The Coating division renders a high-tech and an inimitable anti-oxidation surface coating for graphite electrodes which significantly improves the performance of the electrodes while in use in the EAF steel mills.

Global growth in 2014 was a modest 3.4 per cent indicating a sluggish pickup in the advanced economies in relation to previous year and a slowdown in emerging markets and developing economies, as per the World Economic Outlook (WEO) update released by the International Monetary Fund (IMF). Activity levels in United States and United Kingdom has gathered momentum due to well thought out monetary and labour market policies. The recovery has been miniscule in Eurozone and Japan. China is undergoing a carefully managed slowdown. Overall global growth is projected to reach 3.5 per cent and 3.8 per cent in 2015 and 2016.

World crude steel production reached 1.662 million tones (mt) for the year 2014, up by 1.2% compared to 2013. Crude Steel production in the EU (28), North America and Asia grew modestly in 2014 compared to 2013, while in the C.I.S. and South America it decreased. Annual production for Asia was 1,132.3 Mt of crude steel in 2014, an increase of 1.4% compared to 2013. China's crude steel production in 2014 reached 822.7 mt, an increase of 0.9% on 2013, producing China's share of world crude steel production decreased from 49.7% in 2013 to 49.5% in 2014. The EU recorded an increase of 1.7% compared to 2013, producing 169.2 mt of crude steel in 2014. Germany produced 42.9 mt of crude steel in 2014, up by 0.7% over 2013. In 2014, crude steel production in North America was 121.2 mt, an increase of 2.0% on 2013. The US produced 88.3 mt of crude steel, up by 1.7% compared to 2013. The average capacity utilisation in 2014 was 76.7% compared to 78.4% in 2013.

Beginning of 2015 was quite positive and gave us hope for further improvements in steel production. Forecast for the world steel production in 2015 shows an increase of app.3%. the forecast for EU (28) is more conservative and shows a growth of about 1% only. 2014 was marked by a substantial decrease of the electrode prices. Sales prices of Electrodes were under pressure in 2014 and it is hoped that the same are now stabilised and should improve slowly in 2015.

Graphite Cova sold Graphite Electrodes 8,880 MT as compared to 7,381 MT in the previous year. The speciality sale was lower by 6.71%. The reduced sales prices and high input cost led to negative margin. The group net loss after tax for the year was Euro 2.26 mn (Previous Year- Euro 9.35 mn).

## 6. Borrowing facilities of Subsidiary companies from Banks :

The fund based working capital limit from bank was TEUR 24,000 as at 31st March,2015. Total utilisation of fund based limits from bank was TEUR 17,600 at the end of the year.

The total funding is provided by Citibank against a collateral in the form of Corporate Guarantee of TEUR 24,000 from Graphite India Limited.

Utilisation of bank limit by the end of the year is increased to Euro 17.60 mn from Euro 14 mn. This is due to increase in production during the current year as compared to previous year. Collections in USD were sold from time to time based on availability and requirements for payment in USD.

## 7. Dividend :

No dividend is proposed for the year.

## 8. Outlook :

The global economy is expected to grow at a lower pace and the upturn is projected to be more gradual. The subsidiary companies expect improvement in performance in the year 2015-16 by extending its market horizon outside Europe, ensuring cost control and efficient management of resources.

Sales prices of Electrodes were continued to be under pressure in 2014 also which should improve gradually in 2015. Graphite Cova has planned growth in volume terms in 2015-16 on the premise of exploration of new markets.

## 9. Human Resources:

The Management wishes to place on record its appreciation of the contribution made by employees at all levels. The personnel and social security for all employees of the company is organized on the basis of the requirements of the applicable German Law.

## 10. Risks and Concerns:

Economic slowdown and/ or cyclical recession in certain industry can adversely impact the demand supply dynamics and profitability and the group too is vulnerable to these changes. Similarly trade barriers in form of crippling import duties or antidumping duties or countervailing duties could affect the earning capacity.

It is not only the steel industry which plays a quite decisive role but also the development in raw material and energy prices as well as the market leaders' pricing policy, influence the group performance.

The group may be impacted by any change in law relating to business and / or change in taxation laws.

The main raw materials are petroleum based or coal based. The increasing price of crude and coal and its direct impact on its derivative materials like Needle Coke, Pitch, Furnace Oil, Met Coke etc. All tend to rise in unison. They will inflate the input cost in major way.

Volatility in foreign currency market directly impacts group prospects. However natural hedge/ forward contracts of various exposures mitigate the same up to an extent.

Risk is inherent in every business. The manufacturing units are an integral part of a reputed global group which has successfully maintained its operating efficiencies and consistently improved its financial performance through the challenging business cycles. The management believes that the perceived risks can be addressed effectively by strategic business plans.

## 11. Acknowledgement:

The Management takes this opportunity to place on record its appreciation of the assistance and support extended by all government authorities, bankers, consultants, solicitors and others.

The Management also express their appreciation for the dedicated and sincere services rendered by the employees of the German Subsidiaries.

A special acknowledgement for the record, to the technical team and management of Graphite India for extending support and assistance to the German Subsidiaries.

Date : 12 May, 2015.



## FINANCIAL STATEMENTS

### CONSOLIDATION AND ACCOUNTING PRINCIPLES

#### INCORPORATION

The Company was incorporated on 27 November 2003.

#### BASIS OF PREPARATION:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non - current classification of assets and liabilities.

#### LINE OF BUSINESS

Graphite International B.V. is primary a holding company managing and financing subsidiaries and exploiting trademarks and patents. Secondary the Company trades raw materials and trading goods and provides (under lease agreements) machinery and equipment related to the graphite and carbon industry. The subsidiaries' main objective is to manufacture and market graphite electrodes, special products and other carbon and graphite products.

#### FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The resultant exchange differences (other than relating to long-term foreign currency monetary items) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Profit and Loss Statement.

Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/ liability).

Premium or discount arising at the inception of a forward exchange contract entered into to hedge an existing asset / liability is amortised as expense or income over the life of the contract.

#### USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions that effect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

#### DERIVATIVE CONTRACTS

In respect of derivative contracts (other than forward exchange contracts entered into hedge an existing assets/liability), gains/losses on settlement and mark-to-market loss, if any, on outstanding contracts as at Balance Sheet date are recognised in the Profit and Loss Statement and mark-to-market gain, if any, on outstanding contracts as at Balance Sheet date is ignored. Refer Note above for forward exchange contracts entered into to hedge an existing asset/liability.

#### FIXED ASSETS

Tangible Assets are stated at cost of acquisition net of accumulated depreciation and accumulated impairment losses, if any Intangible Assets are stated at cost of acquisition net of accumulated amortization and accumulated impairment losses, if any. Cost comprises cost of acquisition including non-refundable taxes/duties, freight and other incidental expenses related to acquisition and installation. Cost of software includes licence fee and cost of implementation/ system integrations services, where applicable.

Subsequent expenditures related to an item of fixed asset (tangible or intangible ) are added to its

book value only they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Machinery spares which are irregular in use and associated with particular asset, are treated as fixed assets.

#### **DEPRECIATION AND AMORTISATION**

Depreciation on tangible fixed assets is provided on straight line basis over the estimated useful lives of the assets and intangible assets are amortised on a straight-line basis over a period not exceeding ten years in accordance with local fiscal regulation.

#### **IMPAIRMENT LOSS**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use. After impairment, depreciation is provided on the revised carrying amount of the fixed asset over its remaining useful life.

#### **INVESTMENTS**

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at net-asset value write down for any diminution, other than temporary, in carrying value. Current Investments are carried at lower of cost and fair value.

#### **INVENTORIES**

Inventories are valued at lower of cost and net realisable value. The costs are ascertained under weighted average formula. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **REVENUE**

Revenue from sale of goods are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract. It excludes value added tax, trade discounts, returns, as applicable. Income from services rendered is recognised as the service is performed on proportionate completion method and is booked based on agreements / arrangements with the concerned parties.

#### **OTHER INCOME**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. All other items are recognised on accrual basis.12

#### **BORROWING COSTS**

Borrowing costs, if any, attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

#### **PROVISIONS AND CONTINGENT LIABILITIES**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the Balance Sheet date and are not discounted to its present value.

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### **TAXATION**

Current tax is measured at the amount expected to be paid to tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a virtual/reasonable certainty as applicable that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.

#### **CASH FLOW STATEMENT**

The compilation of the cash flow statement is based on the indirect method. The cash funds as used in the cash flow statement concludes the cash as stated on the assets side of the consolidated balance. Cash flows in foreign currencies are translated at the applicable exchange rate on the date of transaction. Interest income, interest expenses and income taxes are separately shown under the cash flow from operating activities.



# **ANNUAL REPORT**

## BALANCE SHEET AS AT 31 MARCH 2015

(before proposed appropriation of result)

	<i>31 March 2015</i>	<i>31 March 2014</i>
<b>ASSETS</b> (in euros)		
<b>Fixed assets</b>		
Financial fixed assets	16.803.000	16.803.000
<b>Current assets</b>		
Receivables and prepaid expenses	451.257	60.001
Cash at bank and in hand	50.610	81.309
Total assets	<u>17.304.867</u>	<u>16.944.310</u>

	31 March 2015	31 March 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	17.300.000	17.300.000
General reserve	-380.879	-645.713
Unallocated result for the year	<u>294.956</u>	<u>264.834</u>
	17.214.077	16.919.121
<b>Short-term liabilities</b>		
Trade creditors	29.477	-
Other liabilities, accruals and deferred income	<u>61.313</u>	<u>25.189</u>
	90.790	25.189
<b>Total liabilities</b>	<u><u>17.304.867</u></u>	<u><u>16.944.310</u></u>

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2014 TILL 31 MARCH 2015

(in euros)	<i>1-4-2014 till 31-3-2015</i>	<i>1-4-2013 till 31-3-2014</i>
Net turnover	<u>419.047</u>	<u>372.139</u>
Operating income	419.047	372.139
Employee benefits expense	10.000	10.000
Depreciation fixed assets	-	-
Other operating expenses	<u>98.029</u>	<u>100.407</u>
Total operating expenses	<u>108.029</u>	<u>110.407</u>
Operating result	311.018	261.732
Financial income	216	3.102
Financial expenses	<u>-</u>	<u>-</u>
Income before taxes	311.234	264.834
Taxes on income	<u>16.278</u>	<u>-</u>
Net result	<u><u>294.956</u></u>	<u><u>264.834</u></u>

CASH FLOW STATEMENT FOR THE PERIOD 1 APRIL 2014 TILL 31 MARCH 2015

The movements of funds can be specified as follows:

	1-4-2014 till 31-3-2015	1-4-2013 till 31-3-2014
(in euros)		
<b>Cash flow from operating activities</b>		
Operating result	311.234	264.834
<i>Movement in working capital:</i>		
Receivables	-391.472	929.867
Short-term liabilities	<u>65.601</u>	<u>-106.105</u>
Cash flow from operating activities	<u>-325.871</u> -14.637	<u>823.762</u> 1.088.596
Financial income and expenses	216	3.102
Taxes on income	<u>-16.278</u>	<u>-</u>
Cash provided by operating activities	<u>-16.062</u> -30.699	<u>3.102</u>
<b>Cash flow from investment activities</b>		
Increase in investments	-	-6.400.000
Total cash used in investing activities	-	-6.400.000
<b>Cash flow from financing activities</b>		
Issued share capital	-	<u>5.000.000</u>
Total cash provided by financing activities	-	<u>5.000.000</u> -1.400.000
<b>Movements in cash funds</b>	<u>-30.699</u>	<u>-308.302</u>
The movement of funds is as follows:		
Balance as at 1 April	81.309	389.611
Movement for the year	<u>-30.699</u>	<u>-308.302</u>
Balance as at 31 March	<u>50.610</u>	<u>81.309</u>



NOTES TO THE BALANCE SHEET AS AT 31 MARCH 2015

ASSETS

Fixed assets

Financial fixed assets

(in euros)

	31-3-2015	31-3-2014
Subsidiaries	16.803.000	16.803.000
	=====	=====

*Subsidiaries*

	<i>Bavaria Carbon Specialties GmbH</i>	<i>Bavaria Electrodes GmbH</i>	<i>Bavaria Carbon Holdings GmbH</i>	<i>Graphite Cova GmbH</i>	<i>Total</i>
(in euros)					
Balance as at 1 April 2014	102.000	102.000	277.000	16.322.000	16.803.000
Movements in the year	-	-	-	-	-
Balance as at 31 March 2015	102.000	102.000	277.000	16.322.000	16.803.000
	=====	=====	=====	=====	=====

List of subsidiaries

Bavaria Carbon Specialties GmbH, Röthenbach am die Pegnitz	100%
Bavaria Electrodes GmbH, Röthenbach am die Pegnitz	100%
Bavaria Carbon Holding GmbH, Röthenbach am die Pegnitz	100%
Graphite Cova GmbH, Röthenbach am die Pegnitz	100%

Current assets

Receivables and prepaid expenses

	31-3-2015	31-3-2014
Group companies	450.352	31.304
Taxes and social security contributions	905	28.175
Other current assets	-	522
	-----	-----
	451.257	60.001
	=====	=====

Group companies

Graphite Cova GmbH	450.352	31.304
	=====	=====

No interest is charged on the current accounts of group companies.

Taxes and social security contributions

Value added tax	905	4.185
Income tax	-	23.990
	-----	-----

	905	28.175
	=====	=====
Cash at bank and in hand		
	31-3-2015	31-3-2014
Fortis Bank, current account	50.610	81.309
	=====	=====

## EQUITY AND LIABILITIES

### Shareholders' equity

	<i>Issued share capital</i>	<i>General reserve</i>	<i>Unallocated result for the year</i>	<i>Total</i>
(in euros)				
Balance as at 1 April 2014	17.300.000	-645.713	264.834	16.919.121
Allocation result previous year	-	264.834	-264.834	-
Unallocated result for the year	-	-	294.956	294.956
Balance as at 31 March 2015	<u>17.300.000</u>	<u>-380.879</u>	<u>294.956</u>	<u>17.214.077</u>

### Share capital

The issued share capital contains a total of 17,300,000 ordinary shares of Euro 1 each.

	31-3-2015	31-3-2014
<u>Other liabilities, accruals and deferred income</u>		
Withholding taxes	45.035	3.130
Corporate tax	16.278	-
	-----	-----
	61,313	3,130
	=====	=====

### Trade Creditors

Others	29,477	22,059
	-----	-----
	29,477	22,059
	=====	=====

Other information

*Average number of employees*

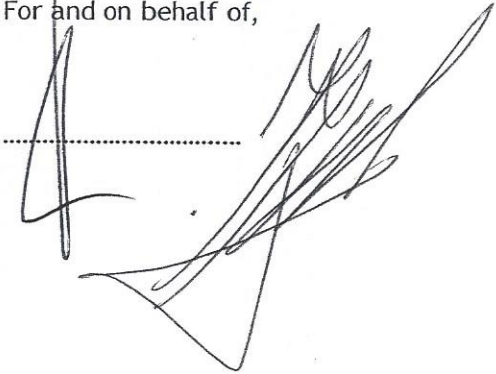
In this financial year, as in the previous year, no employees were employed.

*Directors remuneration*

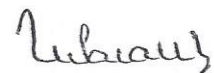
During the financial period the trust company received a remuneration of € 10.000 (2013: € 10.000). This amount has been incorporated in the profit and loss account.

Rotterdam, 12 May 2015  
Graphite International B.V.

Directors:  
Vistra Executives B.V.  
For and on behalf of,

A large, stylized handwritten signature in black ink, written over a horizontal dotted line. The signature is highly cursive and difficult to decipher.

Graphite International B.V.  
For and on behalf of,

  
K.C. Parakh

**INDEPENDENT AUDITOR'S REPORT**

To: the shareholders and Board of Directors of Graphite International B.V.

**Report on the financial statements**

We have audited the accompanying unconsolidated figures 2014/2015 of Graphite International B.V., Rotterdam, which comprise the unconsolidated balance sheet as at 31 March 2015, the unconsolidated 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 of the financial statements in accordance with the accounting policies selected and disclosed by the entity, as set out on page 7 in note 'bases of preparation' to the financial statements. Furthermore, management is responsible for such internal control as it 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 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 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*

In our opinion, the financial statements 2014/2015 in all material respects give a fair and true view of the financial position of Graphite International B.V. and are prepared in accordance with the accounting policies selected and disclosed by the entity, as set out on page 7 in note 'bases of preparation' to the financial statements.

*Basis of accounting*


We draw attention to page 7 in note 'bases of preparation' to the financial statements, which describes the basis of accounting. The accounting policies used are selected and disclosed by the entity. Our opinion is not qualified in this respect.

Rotterdam, 12 May 2015

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



W.A. de Jong RA



**OTHER  
INFORMATION**

## OTHER INFORMATION

### Provision in the articles of association governing the appropriation of profits

According to article 23 of the statutes of the company the Annual General Meeting of Shareholders shall determine how much of the remaining profit will be added to reserves.

### Appropriation of result

It is proposed that the 2014/2015 profit will be added to the general reserve. This proposal has not been included in the financial statements for the period 1 April 2014 till 31 March 2015.