Annual Report 2014

1 January 2014 – 31 December 2014

Metalcorp Group B.V.
Amsterdam
26 March 2015

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Director's Report

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A. General overview and strategy

Metalcorp Group B.V. (“Metalcorp” or the “Group") is an international group that produces and trades metals and minerals across the globe. It further develops metals and mineral resources in order to secure (future) supply to its trading and production units.

The group is organized through two divisions, Non-Ferrous and Steel. In order to improve the overview of the activities these divisions are divided into the following three sub-divisions: production, trading and resources development.

1. Non-Ferrous

1.1. Production

BAGR Berliner Aluminiumwerk GmbH

BAGR is a secondary aluminium producer. Since 1997, the company has been operating this re-melting and casting plant in a historic industrial area situated in the north of Berlin. With a capacity of up to 90.000 tons per year, BAGR is the leading independent secondary slab producer in Europe. A highly efficient and meanly structured team of qualified employees turns aluminium scrap, alloy additives and small quantities of primary aluminium into high-quality aluminium slabs. These are then further processed by our customers into strips, sheets, plates and cuttings.

Tamarix NOA S.L.

Tamarix is a copper scrap recycler based near Bilbao, Spain. This Company converts copper cable scrap into high quality copper granulates. This product is sold to the main copper pipes and plates producers mainly in Europe. In 2014 the Company became the sole shareholder of Tamarix.

1.2. Trading

Tennant Metals

Tennant Metals is specialized in the physical trading of aluminium, lead, tin zinc, refined metals, ores and concentrates. Tennant Metals has global trading relationships through its offices in Australia, China, Germany, Monaco, South Africa, and a number of agencies around the world. It has a strong know-how in the field of logistics, trade finance and risk management.

1.3. Resources Development

The main objective of the Resources Development activities is to establish off-take agreements that supply our trading and production facilities by utilizing the know-how and global network of our group.

Société des Bauxites de Guinée

The Company's main project is Société des Bauxites de Guinée ("SBG"), which owns a bauxite license in Guinea. Guinea has amongst the world’s largest reserves of bauxite (>25 billion tons – almost half of the world’s bauxite resources) with renowned companies such as Alcoa, Rio Tinto and BHP Billiton operating there. The objective of this project is to establish an alumina refinery with a capacity of 1,6 million tons per annum. The planned construction of the refinery is planned for 2016 and alumina production is planned to start in 2018. Exporting bauxite, parallel to the construction of the refinery, could start in 2016.

The Company has a total resource of almost 300 million tons. Out of this resource, 160 million tons qualify as a “Measured Resource”, which is the highest standard possible according to the JORC code and basis for funding of the banks. The quality of the bauxite is of world class with Alumina content higher than 41,5% and Silica levels lower than 2,7%.

The Company has a strategic cooperation with one of China's leading aluminium companies. This company will build a turn-key integrated alumina facility and will arrange the required funding. This party is finalizing the technical studies, before the start of the construction of the facility.

Given the proximity to adequate transportation channels, SBG is developing a bauxite export facility in parallel to the alumina refinery. This option is enabled due to the advanced discussions with logistical partners and the favorable conditions of the resource that allow the usage of highly advanced and economic mining equipment.

Minerals and Mining Ltd.

The Company has secured an attractive bauxite license in the Makumre region in Sierra Leone. Studies of a renowned consulting firm pointed out that multiple logistical routes are viable for the export of bauxite. These studies also pointed out that no fatal flaws are detected from an environmental, social, logistical and utility perspective that would block the further development of this project. After completion of a drilling campaign it is expected that mining and the export of bauxite will follow shortly (end of 2015).

Kanabeam Zinc Ltd.

In 2014, the Group sold 69,6% to an investor that will further develop Kanabeam into production stage. As part of the package, BAGR secured a royalty agreement over the life of mine (with a minimum of USD 5 million) that pays out a fixed amount per tonne mined.

2. Steel

The Steel division is headed by Steelcom S.A.M. and consists of trading activities and resources development. This segment currently has no production activities.

2.1. Trading

Steelcom S.A.M. ("Steelcom"), the steel trading arm of the Group, is a renowned independent steel trader with a tradition spanning over 50 years of dedication to international commerce in the steel industry. Its core business consists of the world wide trading of steel and steel-making raw materials.

Through Steelcom, the Company is able to offer a complete and competitive value-added service by providing both importers and exporters worldwide with a secure platform to realize optimal results. Our team of managers and traders, throughout our global network of offices, grant the company a professional market knowledge and trading expertise.

Steelcom covers a wide range of steel-making raw materials (such as coal, metallurgical coke, iron ore, pig iron, hot briquetted iron (HBI) and direct reduced iron (DRI), semi-finished products (such as slabs and billets), and finished industrial steel products (such as long and flat finished steel products, from structural sections to high-value-added coated and pre-painted products).

This division’s core strategy is combining local presence with dedicated supply chain management and risk assessment. The ongoing international expansion reflects Steelcom's objective to establish direct presence in all local markets in order to further diversify the product mix to a whole range of steel-making raw materials, semi-finished, and finished industrial steel products. Steelcom is actively seeking opportunities in upstream and downstream steel-related activities in the main markets around the world, which can increase the vertical integration of the company, enhance the profitability and reduce the exposure to risks.

Steelcom is headquartered in Monaco and operates from offices in Dubai, Spain, China, Taiwan, Australia, India, and the United States and through representatives in Brazil, Egypt and Turkey. Its supplier portfolio includes top first and second tier steel and raw materials producers across the world.

B. Business performance

The Company was able to grow its volumes over the financial year 2014 despite the continued decline in market prices for metals. The declining prices are as well a result of lack in demand as well as a result of competition between global (emerging) competitors. Metalcorp applies a risk-averse strategy through which the gross profit on deals is locked in, independent of the market prices. The main contributors in this growth is our niche business in Houston (Steelcom Pipe International LLC), which is focused on the US based pipe and tube markets. Also our Aluminium production increased its produced volume.

Apart from the increase in volume, the Company made the following significant steps in 2014:

The Company placed the remaining volume of its listed bond on the Frankfurt Exchange and after its tap issue the company closed the bond on 2 June 2014 at EUR 31,4 million. The bond is mainly used as cash collateral to support the further growth of the Trading activities.

The Company became the sole shareholder of Tamarix, which puts the company in a position to further develop into a successful and sustainable company.

The Company has successfully found an investor in the Kanabeam Zinc project and secured a royalty agreement over the life of mine (with a minimum of USD 5 million) that pays out a fixed amount per tonne mined. This royalty agreement is not accounted for in 2014, but result will be recognized in the income statement upon receipt of the proceeds.

The table below provides a segmented overview of the Revenue and Gross profit ("GM") of the Company:

	Revenue		GM		Result	
EUR 1.000	2014	2013	2014	2013	2014	2013
Non-ferrous						
- Trading	60.803	108.424	2.090	1.829	-1.933	948
- Production	66.300	38.542	7.473	6.849	3.363	2.211
Total Non-ferrous	**127.103**	**146.966**	**9.563**	**8.678**	**1.430**	**3.159**
Steel						
- Trading	**193.028**	**151.820**	**7.587**	**6.081**	**1.388**	**594**
Other	802	2.877	868	2.877	956	-921
Total	**320.933**	**301.663**	**18.018**	**17.636**	**3.774**	**2.832**

The gross profit of the Group is more or less stable at 5,6% compared to 5,8% last year. As the Non Ferrous Production (aluminium) increased its full service tonnages, both revenue and profitability increased significantly. Due to increase in tonnages traded, Steel trading almost doubled its result. The Non-Ferrous trading environment is one of low margins. Therefore, the Company decided to change its course with regards to the non-ferrous trading and will focus on the higher margin business opportunities that it has identified in the different markets.

The solvency (total group equity divided by the balance sheet total) at the balance sheet date decreased from 43,8% in 2013 to 42,5% in 2014 as a result of decrease in third-party shareholding in the group equity. Note that this ratio includes self-liquidating Trade Finance, which is added to the current liabilities. Trade Finance is utilized to finance the deals of the Trading division and lead to a corresponding increase in inventory and accounts receivable, which are both pledged to the Trade Finance Banks. When receivables are paid by our customers, our Company receives the profit made on these deals and the Trade Finance facility is repaid. The solvency excluding self-liquidating Trade Finance (reference is made to note 11 to the consolidated financial statements) is 58,5% at 31 December 2014.

C. Outlook

1. General

Given the demand in the market, the Company expects to realize further growth in 2015. The main contribution to the growth of the revenue will be from niche markets such as the pipe and tubes business and the developed innovative finance structures to support existing production facilities. Also the further development of Tamarix is expected to contribute. The aluminium recycling activities are expected to be in line with 2014. The company will continue to further develop the synergies between the different divisions and its global network.

2. Financing

The long term financing and short term bank facilities are in place and the relationships with these banks will be maintained. In order to further grow the trading activities, additional trade finance capacity is being developed with the group's current and new banking relationships.

3. Employees

As over the last years, the Company will ensure that the organization remains lean in terms of headcount. Key management positions are filled in by personnel with the required experience, background, and the entrepreneurial spirit and drive to contribute to our growth and success. Additional personnel will only be employed, when the growth in our activities requires so.

The Company has taken notice of article 166 and 279 Book 2 of the Netherlands Civil Code which requires the Company to consider the balanced composition between male and female members within a (Supervisory) Board. Together with the quality of the Directors and/or Supervisory Board member, this will be taken into consideration in every appointment.

D. Risks and uncertainties

The presentation of financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates impacted by the following risks:

1. Fluctuation in currency Exchange rates

The Company finds its suppliers and customers across the globe, while operations and operating costs are spread across several different countries and currencies. Fluctuation in exchange rates, in particular, movements in US dollar and Australian dollar against the euro, may have a material impact on the Company's financial results. Note that our business is mainly executed on a dollar basis on the purchasing, selling as well as the financing side. If currency is not naturally hedged through back-to-back deals, the exposure is hedged through adequate instruments.

2. Financing, cash flows and Liquidity

The trading activities are dependent on trade financing lines availability. We have significant uncommitted trade lines with major banks. These trade financing lines are uncommitted by nature and, therefore, no guarantee can be given that trades presented to these banks will be funded. However, all presented deals thus far are financed by the banks.

3. Price volatility

The market prices for the various base metals are volatile and cannot be influenced neither controlled. Inventories are therefore subject to valuation changes, which may have a material impact on the Company´s financial results. However, the Company enters into back-to-back deals in which serves as a natural hedge that "locks" the market price, so that the Company is not exposed to price fluctuations. In cases where the Company is not covered by this natural hedge, the price risk is mitigated by applying adequate financial instruments.

4. Country risks, political, community and fiscal intervention

The Company's operations and projects span numerous countries, some of which have more complex, less stable political or social climates and consequently higher country risk. Political risks include changes in laws, taxes or royalties, expropriation of assets, currency restrictions or renegotiation of, or changes to, mining leases and permits. Similarly, communities in certain regions may oppose mining activities for various reasons. Any of these factors could have an adverse impact on the Company's profitability in a certain geographic region or at certain operations. However, so far the Company has not experienced those problems.

5. Other Risks

Other risks facing the Company include performance risk on off take agreements; quality of commodities traded and produced, competition, environmental and insurance risks and uncertainty of additional financing. These risks and the mitigating measures are monitored and managed by the company on a regular basis and appropriate action is taken whenever this is required.

Amsterdam, 26 March 2015

<signed on original>	<signed on original>
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Victor Carballo Director and Chief Executive Officer	Pascale Younès Director

CONSOLIDATED FINANCIAL STATEMENTS

A. Consolidated statement of profit or loss

B. Consolidated statement of other comprehensive income

C. Consolidated statement of financial position

D. Consolidated statement of cash flows

E. Consolidated statement of changes in equity

F. Notes to the financial statements

A. Consolidated statement of profit or loss

(before appropriation of result)

EUR 1.000	Note	2014	2013
Continuing Operations			
Revenue	2	**320.933**	**301.663**
Cost of sales	2	-302.915	-284.027
Gross profit	**2**	**18.018**	**17.636**
Operating expenses			
Selling expenses	3	-1.926	-2.670
Administrative expenses	3	-7.935	-8.540
		-9.861	**-11.210**
Operating profit		**8.157**	**6.426**
Non-operating expenses			
Unrealized fair value changes	11	155	-39
Financial income and expense	4	-3.428	-2.358
Net finance cost		**-3.273**	**-2.397**
Profit before tax		**4.885**	**4.029**
Income tax expense	5	-1.111	-1.197
Profit from continuing operations		**3.774**	**2.832**
Profit		**3.774**	**2.832**
Profit attributable to:			
Equity holders of Metalcorp Group B.V.		3.741	2.566
Non-controlling interests		33	266
		3.774	**2.832**

B. Consolidated statement of other comprehensive income

EUR 1.000	31-12-2014	31-12-2013
Profit	**3.774**	**2.832**
Other comprehensive income		
Translation differences foreign associated companies	-238	-125
Other movements	-	-
Total comprehensive income	**3.536**	**2.707**
Total comprehensive income atrributable to:		
Equity holders of Metalcorp Group B.V.	3.429	2.395
Non-controlling interests	107	312
Total result	**3.536**	**2.707**

C. Consolidated statement of financial position

(before appropriation of result)

EUR 1.000	Note	31-12-2014	31-12-2013
Assets			
Non-current assets			
Property plant and equipment	6	96.596	95.040
Intangible fixed assets	7	23.177	23.583
Financial fixed assets	8	3.819	3.922
Total non-current assets		**123.592**	**122.545**
Current assets			
Inventories	9	16.226	22.629
Receivables, prepayments and accrued income	10	77.501	78.028
Securities	11	14.528	7.674
Cash and cash equivalents	12	17.781	10.371
Total current assets		**126.036**	**118.702**
Total assets		**249.628**	**241.247**
Equity and liabilities			
Equity			
Share capital		70.000	40.000
Reserves and retained earnings		16.487	42.542
Equity attributable to the owners of the company	13	86.487	82.542
Non-controlling interest	13	19.613	23.070
Total equity		**106.100**	**105.612**
Non-current liabilities			
Loans and borrowings	14	43.442	26.323
Deferred tax liabilities	5	1.875	1.838
Total non-current liabilities		**45.317**	**28.161**
Current liabilities and accruals	14	98.211	107.474
Total current liabilities		**98.211**	**107.474**
Total equity and liabilities		**249.628**	**241.247**

D. Consolidated statement of cash flows

(before appropriation of result)

EUR 1.000	2014	2013
Operating profit	**8.157**	**6.426**
Adjustments for:		
- Depreciation (and other changes in value)	672	711
Working capital changes		
- Movements trade receivables	9.916	-30.483
- Movements inventories	6.403	-17.157
- Movements on loans receivable	-4.073	6.139
- Movements trade payables	-3.358	3.205
- Movements other payables and liabilities	-1.687	1.081
- Movements trade finance	-5.257	43.353
	1.944	**6.138**
Corporate income tax expense on operating activities	-913	-1.197
	-912	**-1.197**
Cash flow from operating activities	**9.860**	**12.078**
Investments in intangible fixed assets	-	-4.350
Investments in property plant and equipment	-2.615	-10.095
Disposals of property plant and equipment	427	-
Investments and Disposals of other financial fixed assets	103	572
Investments in securities*	-6.700	-6.700
Disposals of securities	-	368
Return of capital of subsidiaries	-1.823	-
Acquisition of non-controlling interests	-1.226	2.870
Cash flow from investment activities	**-11.834**	**-17.335**
Receipt of long-term liabilities	17.156	12.902
Repayment of short term liabilities	-78	-3.185
Proceeds from issue of capital	-	420
Other finance income	378	285
Other finance expense	-404	-1.887
Interest received	550	756
Interest paid	-7.692	-2.311
Cash flow from financing activities	**9.911**	**6.980**
Net cash flow		
Exchange rate and translation differences on movements in cash	-528	674
Movements in cash	7.410	2.397

* this item consists of a non-cash item that is included to improve the understandability of this overview and has to be seen in relation to operating and financing cash flows.

E. Consolidated statement of changes in equity

(before appropriation of result)

EUR 1.000	Issued share capital	Share premium	Revaluation reserve	Translation reserve	Other reserves	Result for the year	**Legal entity share in**	Third-party share in group	**Group Equity**
2013									
Opening Balance	**40.000**	**2.218**	**65.053**	**520**	**-29.162**	**1.518**	**80.147**	**19.468**	**99.615**
Total comprehensive income and expense for the period									
Profit/(loss) for the period	-	-	-	-	-	2.566	2.566	266	2.832
Foreign currency translation differences	-	-	-	-171		-	-171	46	-125
Total comprehensive income and expense for the period	-	-	-	-171	-	2.566	**2.395**	312	**2.707**
Other movements in equity									
Allocation of prior year result	-	-	-	-	1.518	-1.518	-	-	-
Capital contribution	-	-	-	-	-	-	-	420	420
Other movements (Acquisition)	-	-	-	-	-	-	-	2.870	2.870
Total other movements in equity	-	-	-	-	1.518	-1.518	**-**	3.290	**3.290**
	40.000	**2.218**	**65.053**	**349**	**-27.644**	**2.566**	**82.542**	**23.070**	**105.612**
2014									
Opening Balance	**40.000**	**2.218**	**65.053**	**349**	**-27.644**	**2.566**	**82.542**	**23.070**	**105.612**
Total comprehensive income and expense for the period									
Profit/(loss) for the period	-	-	-	-	-	3.741	3.741	33	3.774
Foreign currency translation differences	-	-	-	-312	-	-	-312	74	-238
Total comprehensive income and expense for the period	-	-	-	-312	-	3.741	**3.429**	107	**3.536**
Other movements in equity									
Allocation of prior year result	-	-	-	-	2.566	-2.566	-	-	-
Reallocation of equity	30.000	7.410	-65.053	-	27.644	-	-	-	-
Return of capital of MIOM	-	-	-	-	-1.294	-	-1.294	-529	-1.823
Acquisition minority share	-	-	-	-	1.809	-	1.809	-3.035	-1.226
Total other movements in equity	30.000	7.410	-65.053	-	30.724	-2.566	**515**	-3.564	**-3.049**
Total	**70.000**	**9.628**	**-**	**37**	**3.081**	**3.741**	**86.487**	**19.613**	**106.100**

In 2013, the Group increased the capital of BAGR Berliner Aluminiumwerk GmbH. The third party share amounts to EUR 420 thousand. The acquisition of Tamarix NOA S.L. led to an increase in third party share of almost EUR 2,9 million.

In 2014, Metalcorp Group B.V. has converted its reserves into share capital, resulting in a share capital of EUR 70 million and share premium of EUR 9,6 million. Due to the fact that the Company became the sole shareholder in Tamarix, the third party share in the group decreased by EUR 3.035 thousand. The return of capital of MIOM is a return of additional paid in capital by a third party shareholder. No dividend was paid out to the shareholders of the group. The Company has voluntarily changed its accounting policy (IAS 8.19b) with regards to the accounting of goodwill. The reason for the change is to improve the view of the financial statements in comparison to the shareholder's share in the legal entity by excluding the share in the goodwill that is attributable to the non-controlling interest. This accounting change is in accordance with IFRS 3 – Business combinations and is related to the acquisition of 2013 leading to a reduction in the line item "Other movements (acquisition)" of EUR 6.481 compared to the Annual Report 2013. Reference is made to note 7.

F. Notes to the Financial Statements

Note 1 – Accounting Policies

1.1 Corporate information

The activities of Metalcorp Group B.V. ("Metalcorp Group" or "the Company") and its group companies primarily consist of the trading and production of metals, ores, alloys and related services. The Company has its legal seat at Orlyplein 10, 1043 DP Amsterdam, the Netherlands, and is registered with the chamber of commerce under number 34189604.

The Company was incorporated as a limited liability company under the laws of the Netherlands on 14 April 2003 for the purpose of establishing an industrial holding company in the Netherlands. Its major shareholder is Lunala Investment S.A. in Luxembourg. The financial statements of Lunala Investments S.A. are available at the Chamber of Commerce of Luxembourg.

The Company has its corporate headquarters in Amsterdam, which is also the head of the group of legal entities. The consolidated annual accounts comprise the financial information of the Company and of its investments in which it exercises a controlling interest. These investments are fully included in the consolidation.

1.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and its interpretations adopted by the International Accounting Standards Board (IASB), and are in compliance with the provisions of the Dutch Civil Code, Book 2, Title 9. The above Standards and Interpretations are collectively referred to as "IFRS" in these financial statements.

The Company has voluntarily changed its accounting policy (IAS 8.19b) with regards to the accounting of goodwill. The reason for the change is the shareholder's share in the legal entity by excluding the share in the goodwill that is attributable to the non-controlling interest. This accounting change is in accordance with IFRS 3 – Business combinations and is related to the acquisition of 2013 leading to a corresponding reduction of third party share in equity in the amount of EUR 6.481. Reference is made to Schedule E. Changes in Equity and note 7 Intangible fixed assets. The change is reflected retrospectively and the line item acquisitions in 2013 is decreased by EUR 6.481.

1.3 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for:

- leasing transactions that are within the scope of IAS 17; and
- measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

1.4 New and revised IFRSs

In the current year, the Group applied the following relevant new and revised IFRSs:

- Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities
- Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets

- Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting
- Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions

These new and revised IFRSs do not lead to significant changes in in these financial statements.

The following new and revised IFRSs have been issued but are not yet effective:

- IFRS 9 regarding Financial Instruments.
- Amendments to IFRS 9, IFRS 7 and IAS 39 regarding mandatory effective date of IFRS 9 and transition disclosures.
- IFRS 14 regarding Regulatory Deferral Accounts

- IFRS 15 regarding Revenue from Contracts with Customers

The Directors are currently evaluating the impact these new standards and interpretations will have on the financial statements of Metalcorp Group B.V.

1.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for

control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date the identifiable assets acquired and the liabilities assumed are recognized at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

1.7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 1.6.) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rate based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.8 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any Impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture or when the investment tis classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

1.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns rebates and other similar allowances.

Revenue is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amounts of revenue can be measured reliably;
- it is probably that the economic benefits associated with the transaction will flow to the Group;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.10 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to quaffing assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized an expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits form the leased asset are consumed.

1.11 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future reductive use which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset) all of the exchange differences accumulated in equity in respect of the operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and

translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

1.12 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

1.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income, because items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax based used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized., based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the consequences that would follow from the manner in which the Group expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination the tax effect is included in the accounting from the business combination.

1.14 Property, plant and equipment and Intangible fixed assets

Property, plant and equipment and intangible assets are stated at cost, being the fair value of the consideration given to acquire or construct the asset, including directly attributable costs required to bring the asset to the location or to a condition necessary for operation and the direct cost of dismantling and removing the asset, less accumulated depreciation and any accumulated impairment losses.

Intangible assets include goodwill and off-take contracts. For the accounting policies concerning mineral rights reference is made to note 1.15.

Property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned. Identifiable intangible assets with a finite life are amortized on a straight-line basis and/or in accordance with the unit-of-production method ("UOP") over their expected useful life. Reference is made to note 1.27 for more details on the application of the UOP method. Goodwill is not amortized.

The major categories of property, plant and equipment and intangible assets are depreciated/amortized on a UOP and/or straight-line basis as follows (per annum):

Land and Buildings:	0%
Plant and Equipment:	10% - 33%
Other operating assets:	up to 10%

Assets under finance leases, where substantially all the risks and rewards of ownership transfer to the Group as lessee, are capitalized and depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. All other leases are classified as operating leases, the expenditures for which are charged against income over the accounting periods covered by the lease term.

1.15 Mineral rights

Mineral rights consist of exploration and evaluation expenditure, mineral resources, mineral reserves, and mineral rights.

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral resources and includes costs such as researching and analyzing historical exploration data, exploratory drilling, trenching, sampling and the costs of pre-feasibility studies.

Exploration and evaluation expenditure for each area of interest, other than that acquired from the purchase of another company, is charged to the statement of income as incurred except when:

- the expenditure is expected to be recouped from future exploitation or sale of the area of interest; and it is planned to continue with active and significant operations in relation to the area;
- or at the reporting period end, the activity has not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves, in which case the expenditure is capitalized.

Purchased exploration and evaluation assets are recognized at their fair value at acquisition.

Capitalized exploration and evaluation expenditure is recorded as a component of mineral rights in property, plant and equipment. All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalized expenditure is not expected to be recovered it is charged to the statement of income.

Mineral reserves, resources and rights (together Mineral Rights) which can be reasonably valued, are recognized

In the assessment of fair values on acquisition, Mineral Rights for which values cannot be reasonably determined are not recognized. Exploitable Mineral Rights are amortized using the UOP over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortization calculations where there is a high degree of confidence that they will be extracted in an economic manner.

1.16 Impairment

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis can be identified, Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount, does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.17 Inventories

Production Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a first-in-first-out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The Trading inventories are stated at Fair Value less costs to sell.

1.18 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.19 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss” (FVTPL), “held-to-maturity” investments, “available-for-sale” (AFS) financial assets, and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. These are stated at fair value with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables, held-to-maturity investments, or FVTPL.

Listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value at the end of each reporting period (because the directors consider that fair value can be reliably measured). Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established.
The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

1.20 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
Loans and receivables (including trade and other receivables), bank balances and cash, and others are measured at amortized cost using the effective interest method, less any impairment.

1.21 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.
The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment loses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

1.22 De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or losses allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

1.23 Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale issue or cancellation of the Company's own equity instruments.

1.24 Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "Other financial liabilities".

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:
- It has been incurred principally for the purpose of repurchasing in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- It is a derivative that is not designated and effective as hedging instrument.

A financial liability other than held for trading may be designated as at FVTPL upon initial recognition if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment

strategy, and information about the grouping is provided internally on that basis ; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The profit or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the “other gains and losses“-line item.

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.25 De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

1.26 Derivatives and hedging activities

Derivative instruments, which mainly include contracts to sell or purchase commodities that do not meet the own use exemption, as well as FX derivatives to a minor extend, are initially recognize at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently re-measured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotations or using models and other valuation techniques, the key inputs for which include current market and contractual prices of the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counterparty risk.

Gains and losses on derivative instruments for which hedge accounting is not applied, other than the revenue adjustment mechanism embedded within provisionally priced sales, are recognized in cost of goods sold.

Those derivatives qualifying and designated as hedges are either
(i) a Fair Value Hedge of the change in fair value of a recognized asset or liability or an unrecognized firm commitment, or
(ii) a Cash Flow Hedge of the change in cash flows to be received or paid relating to a recognized asset or liability or a highly probably transaction.

A change in the fair value of derivatives designated as a Fair Value Hedge is reflected together with the change in the fair value of the hedged item in the statement of income.
A change in the fair value of derivatives designated as a Cash Flow Hedge is initially recognized as a cash flow hedge reserve in shareholders’ equity. The deferred amount is then released to the statement of income in the same periods during which the hedged transaction affects the statement of income. Hedge ineffectiveness is recorded in the statement of income when it occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in shareholders’ equity and is recognized in the statement of income when the committed or forecast transaction is ultimately recognized in the statement of income.

A derivative may be embedded in a “host contract”. Such combinations are known as hybrid instruments and at the date of issuance, the embedded derivative is separated from the host contract and accounted for as a stand-alone derivative if the criteria for separation are met. The host contract is accounted for in accordance with its relevant accounting policy.

1.27 Critical accounting policies, key judgments and estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates.

The Company has identified the following areas as being critical of understanding the Company’s financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain:

Depreciation and amortization of property plant and equipment and mineral rights
Mineral rights and certain plant and equipment are depreciated / amortized using UOP rate of depreciation / amortization, and therefore the annual charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mineral reserves, notably changes in the geology of the reserves and assumptions used in determining the economic feasibility of the reserves. Such changes in reserves could similarly impact the useful lives of assets depreciated on a straight line basis, where those lives are limited to the life of the project, which in turn is limited to the life of the proven and probably mineral reserves. Estimates of proven and probable reserves are prepared by experts in extraction, geology and reserve determination.

Assessments of extraction, geology and reserve determination, assessments of UOP rates against the estimated reserve and

resource base and the operating and development plan are performed regularly.

Impairments
Investments in Associates and other investments, advances, and loans and property, plant and equipment, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable or at least annually for goodwill and other indefinite life intangible assets.

If an asset's recoverable amount is less than the assets' carrying amount, an impairment loss is recognized. Future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating rehabilitations and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets.

Estimates are reviewed regularly by management.

Valuation of derivative instruments
Derivative instruments are carried at fair value and the company evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 7.

Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiably inputs (Level2); or using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring the Company to make market based assumptions (Level 3).

Provisions
The amount recognized as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

Fair Value measurements
In addition to recognizing derivative instruments at fair value, as discussed above, an assessment of air value of assets and liabilities is also require in accounting for other transaction most notably, business combinations and disclosures related to fair values of marketing inventories, financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs take into account externally verifiable inputs. However, such information is by nature subject to uncertainty; particularly where comparable market based transactions rarely exist.

NOTE 2 – SEGMENT INFORMATION

2.1 GENERAL

The Company is organized in two segments, Non-Ferrous and Steel, with the following sub-segments: Trading, Production and Resources Development. This structure is used by management to assess the performance of the Company.

The Non-Ferrous segment is headed by BAGR Berliner Aluminiumwerk GmbH, which is the leading independent secondary producer of aluminium slabs. BAGR is located in Berlin, Germany and has a highly efficient team of qualified professionals who turn aluminium scrap, alloy additives and small quantities of primary aluminium into high-quality aluminium slabs. These are then further processed by our customers into strips, sheets, plates and cuttings.

In December 2013, the Group added a second industrial base to the Non-Ferrous division by acquiring Tamarix, a secondary copper producer. In 2014, the Company became the sole shareholder in Tamarix.

The Non-Ferrous Trading activities are managed by Tennant Metals, which trades in all the LME metals and a range of specialty and bulk metals and acts as principal in the vast majority of its trading activities. The main metals traded by Tennant Metals are aluminium, copper, lead, tin and zinc.

The Steel division is headed by Steelcom S.A.M. and its trading activities cover a wide range of steel-making raw materials (such as coal, metallurgical coke, iron ore, pig iron, hot briquetted iron (HBI) and direct reduced iron (DRI), semi-finished products (such as slabs and billets), and finished industrial steel products (such as long and flat finished steel products, from structural sections to high-value-added coated and pre-painted products). Steelcom is well positioned to serve international clients and suppliers due to its global presence, its renowned back office, its trade finance facilities and its operating track record of over 50 years.

Resources Development is a team of professionals that has the objective to develop resources projects to establish off-take agreements and partnerships with third parties.

2.2 SEGMENT REVENUES AND RESULTS

The following is an analysis of the Group's revenue, gross profit ("GM") and results from continuing operations by reportable segment.

	Revenue		GM		Result	
EUR 1.000	2014	2013	2014	2013	2014	2013
Non-ferrous						
- Trading	60.803	108.424	2.090	1.829	-1.933	948
- Production	66.300	38.542	7.473	6.849	3.363	2.211
Total Non-ferrous	**127.103**	**146.966**	**9.563**	**8.678**	**1.430**	**3.159**
Steel						
- Trading	**193.028**	**151.820**	**7.587**	**6.081**	**1.388**	**594**
Other	802	2.877	868	2.877	956	-921
Total	**320.933**	**301.663**	**18.018**	**17.636**	**3.774**	**2.832**

Segment revenue reported above represents revenue generated from external customers. Apart from service fees charged between entities for services provided, there were no inter-segment sales in the current year. Revenue includes a contract

developed by the Non-ferrous trading team for a related party for an amount of EUR 1,2 million. Invoices to related parties in connection with the new structural setup in the non-ferrous business are included (EUR 6,7 million).

Furthermore, services have been provided in relation to business development to third and related parties. This is accounted for under "Other".

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Profit represents the profit after tax earned by each segment.

2.3 Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment.

EUR 1.000	Assets		Liabilities	
	2014	2013	2014	2013
Non-ferrous				
- Trading	17.624	41.288	14.366	34.976
- Production	25.719	29.889	24.685	24.150
Total Non-ferrous	**43.342**	**71.177**	**39.051**	**59.126**
Steel				
- Trading	**70.750**	**68.306**	**67.659**	**62.953**
Other	135.536	101.764	36.819	13.556
Total	**249.628**	**241.247**	**143.528**	**135.635**

EUR 1.000	Depreciation and amortization		Additions to non-current assets	
	2014	2013	2014	2013
Non-ferrous				
- Trading	10	22	-2.290	-605
- Production	600	498	4.799	11.341
Total Non-ferrous	**610**	**520**	**2.509**	**10.736**
Steel				
- Trading	**28**	**68**	**-14**	**146**
Other	34	123	-1.448	2.280
Total	**672**	**711**	**1.047**	**13.162**

The additions to non-current assets in the trading division also include the additions of financial instruments as reported in Note 8 Financial Fixed Assets, which amount to EUR 2.307 thousand. It is included in this overview, as it is a significant position that is reported to management on a regular basis.

2.4 Geographical information

The Group operates globally and operations are managed by the following geographical analysis:

EUR 1.000	Revenue 2014	Revenue 2013	GM 2014	GM 2013	Non-Current assets 2014	Non-Current assets 2013
Region						
Europe	66.196	80.396	4.368	14.157	22.127	22.000
Middle East	31.785	15.787	1.693	136	10	10
Asia-Pacific	56.502	122.090	5.421	1.440	16.354	16.645
Americas	156.357	79.466	6.146	1.839	25	51
Africa	10.093	3.924	390	64	85.076	83.839
Total	**320.933**	**301.663**	**18.018**	**17.636**	**123.592**	**122.545**

The allocation of Revenue and GM is based on the country of incorporation of the sales counterparty. This may not necessarily be the country of the counterparty's ultimate parent and/or final destination of product.

Note that the Non-Current assets also contain the financial instruments as reported in Note 8 Financial Fixed Assets, as this is a significant position that is reported to management on a regular basis. This amount (EUR 3.819 thousand) is included in the Asia Pacific segment.

None of the customers contribute over 10% of revenue.

NOTE 3 – EXPENSES

EUR 1.000	2014	2013
Selling expenses		
Personnel	1.914	2.642
Sales and marketing expenses	13	28
Total selling expenses	**1.926**	**2.670**
Administrative expenses		
Personnel	2.499	2.466
Professional services fees	1.847	2.641
Facilities and offices	1.797	1.233
Other operating expenses	1.105	1.531
Depreciation and amortization	687	669
Total administrative expenses	**7.935**	**8.540**
Operating expenses	**9.861**	**11.210**
Breakdown: depreciation and amortization		
Property Plant and Equipment	632	581
Intangible assets	40	130
total depreciation and amortization	**672**	**711**
Allocated to production costs	15	-42
As included in administrative	**687**	**669**

The average number of employees of the Group during the year, converted to full-time equivalents was 135 (2013: 120) of which 130 are employed outside the Netherlands (2013: 116). In the personnel expenses an amount of EUR 1.166 thousand related to social security premiums (2013: EUR 1.024 thousand) and an amount of EUR 266 thousand related to pension premiums are included (2013: EUR 297 thousand). In the position other operating expenses 2014 an amount of EUR 1 million in connection with the new structural setup in the non-ferrous business is included.

NOTE 4 – FINANCIAL INCOME AND EXPENSE

EUR 1.000	2014	2013
Financial income and expense		
Other interest income and similar income	550	756
Interest expenses and similar charges	-9.004	-2.311
Other financing income	6.088	285
Other financing expenses	-404	-1.887
Total financial income and expense	**-2.770**	**-3.157**
Income from foreign exchange		
Forex gains	8.556	6.398
Forex losses	-9.214	-5.599
Total income from foreign exchange	**-658**	**799**
Total financial income and expense	**-3.428**	**-2.358**

In the position other financing income 2014 an amount of EUR 5.710 thousand in connection with the new structural setup in the non-ferrous business is included.

NOTE 5 – TAXATION

Income taxes consist of the following:

EUR 1.000	2014	2013
Current income tax expense	-1.074	-1.197
Deferred income tax	-37	-
Total income tax expense	**-1.111**	**-1.197**

EUR 1.000		2014		2013
	%	EUR	%	EUR
Taxable result		4.885		4.029
Tax burden based on Dutch nominal rate	24,8%	1.212	25,0%	1.007
Current year losses for which no deffered tax asset is recognised	-5,2%	-256	0,0%	-
Non-tax deductible costs	0,0%	-	0,5%	22
Effect of tax rates in foreign jurisdictions	2,4%	118	4,2%	168
Taxation on result on ordinary activities	**22,0%**	**1.074**	**29,7%**	**1.197**

The effective Group tax rate differs from the statutory Dutch income tax rate applicable to the Company mainly due to the exempted income related to unrealized fair value changes and the effect of compensated losses.

No deferred taxes were accounted for in the consolidated statement of income or in other comprehensive income/loss.

NOTE 6 – PROPERTY PLANT AND EQUIPMENT

The movements in Property plant and equipment are as follows:

EUR 1.000	Land and buildings	Plant and machinery	Other operating assets	Mineral rights	**Total**
1 January 2013	1.113	7.173	2.557	81.236	92.079
Additions	-	232	60	2.603	2.895
Disposals	-	-	-	-	-
Acquisition	-	7.200	-	-	7.200
31 December 2013	**1.113**	**14.605**	**2.617**	**83.839**	**102.174**
Accumulated depreciation and impairments					
1 January 2013	143	5.156	1.254	-	6.553
Acquisition	-	-	-	-	-
Depreciation	-	362	219	-	581
31 December 2013	**143**	**5.518**	**1.473**	**-**	**7.134**
Net book value at 31 December 2013	**970**	**9.087**	**1.144**	**83.839**	**95.040**

EUR 1.000	Land and buildings	Plant and machinery	Other operating assets	Mineral rights	**Total**
Gross carrying amount					
1 January 2014	1.113	14.605	2.617	83.839	102.174
Additions	-	1.213	98	1.304	2.615
Disposals	-	-357	-3	-67	-427
Acquisition	-	-	-	-	-
31 December 2014	**1.113**	**15.461**	**2.712**	**85.076**	**104.362**
Accumulated depreciation and impairments					
1 January 2014	143	5.518	1.473	-	7.134
Acquisition	-	-	-	-	-
Depreciation		524	108	-	632
31 December 2014	**143**	**6.042**	**1.581**	**-**	**7.766**
Net book value at 31 December 2014	**970**	**9.419**	**1.131**	**85.076**	**96.596**

The Plant and Machinery as at 1 January 2014 represent the production facilities of BAGR and Tamarix. Part of the equipment for the BAGR facilities is leased for which reference is made to Note 15 – Leasing. The additions of 2014 in Plant and Machinery and Other operating assets are related to capitalized maintenance expenses that extend the economic life, which are written off in line with the accounting principles as set out in Note 1. The additions in Mineral rights are related to the further development of the projects and an overview of the Mineral rights as of 31 December 2014 is provided in the table below. The disposals are related to the share sale of 69,6% Kanabeam Zinc Corporation Ltd., which holds a zinc license in Namibia. For a detailed description, reference is made to paragraph 1.3 of the Director's report.

Company	Country	License area	EUR
Société des Bauxites de Guinée	Guinea	Garafiri	80.539
Minerals and Mining Ltd.	Sierra Leone	Makumre	4.537
Total as at 31 December 2014			**85.076**

In order to determine the fair value as per date of first time adoption EU-IFRS on 1 January 2012, the Company used general accepted valuation models that are commonly used in the resources industry (reference is made to note 1.27). The annual impairment test did not lead to any write-offs.

NOTE 7 – INTANGIBLE FIXED ASSETS

A summary of the movements of intangible fixed assets is given below:

EUR 1.000	Contract based intangible assets	Goodwill	Other	Total
Gross carrying amount				
1 January 2013	13.448	5.915	-	19.363
Acquisitions	-	4.585	206	4.791
Exchange rate differences	-441	-	-	-441
31 December 2013	**13.007**	**10.500**	**206**	**23.713**
Accumulated amortization and impairments				
1 January 2013	-	-	-	-
31 December 2013	**-**	**-**	**130**	**130**
Net book value at 31 December 2013	**13.007**	**10.500**	**76**	**23.583**

EUR 1.000	Contract based intangible assets	Goodwill	Other intangible assets	Total
Gross carrying amount				
1 January 2014	13.007	10.500	206	23.713
Exchange rate differences	-390	-	24	-366
31 December 2014	**12.617**	**10.500**	**230**	**23.347**
Accumulated amortization and impairments				
1 January 2014	-	-	130	130
Amortization	-	-	40	40
31 December 2014	**-**	**-**	**170**	**170**
Net book value at 31 December 2014	**12.617**	**10.500**	**60**	**23.177**

The Contract based Intangible assets are related to a portfolio of ferrous (iron ore) and non-ferrous (mainly tin and copper) supply contracts that the Company obtained through the acquisition of Tennant Metals. No impairment of these finite-live intangible assets was recognized during 2014, as the fair value less costs to sell of the related cash-generating units was in excess of their carrying amounts. The contracts are amortized in accordance with the unit-production method. As no contract is online yet, no amortization is accounted for. The production related to these contracts is expected to commence within one to four years and are expected to produce over a period between 10 and 16 years. The valuation of these contracts is assessed by calculating the net present values of the supply that will be provided over the contract-term using long term price forecast for the metals provided by third parties. As the contracts relate to operations that are in development, the discount rates are set at similar levels used for project development applicable to the regions in which the operations are located.

Goodwill is related to the investments in the production activities (2014: EUR 8.686 thousand; 2013: EUR 8.686 thousand) and the trading activities (2014: EUR 1.814 thousand; 2013: EUR 1.814 thousand). The recoverable amount of each cash-generating unit, used in the annual impairment tests performed in the fourth quarter, is based on its value in use. Key assumptions used in the impairment tests for the cash-generated units were sales growth rates, operating result and the rates used for discounting the projected cash flows. These cash flow projections were determined using management’s internal forecasts that cover a period of 5 years, based on the financial plans as approved by the Company’s management. The annual impairment test did not lead to any impairments of goodwill. The present value of estimated cash flows has been calculated using a pre-tax discount rate of 8,7 % in respect of our trading activities and 11,10 % in respect of our production activities. The pre-tax discount rate reflects the current market assessment of the time value of money and the specific risks of the cash-generating unit.

The Company has voluntarily changed its accounting policy (IAS 8.19b) with regards to the accounting of goodwill. The reason for the change is to improve the view of the financial statements in comparison to the shareholder's share in the legal entity by

excluding the share in the goodwill that is attributable to the non-controlling interest. This accounting change is in accordance with IFRS 3 - Business combinations and is related to the acquisition of 2013 leading to a corresponding reduction of third party share in equity in the amount of EUR 6.481. Reference is made to schedule E. Changes in Equity. The change is reflected retrospectively and the line item acquisitions in 2013 is decreased by EUR 6.481.

NOTE 8 – FINANCIAL FIXED ASSETS

A summary of the movements in the financial fixed assets is given below:

EUR 1.000	Associated companies	Other receivables	**Total**
Book Value			
Balance at 1 January 2013	47	4.447	4.494
Sales, redemptions	-47	-525	-572
Balance at 31 December 2013	**-**	**3.922**	**3.922**
Book Value			
Balance at 1 January 2014	-	3.922	3.922
Transfer due to de-consolidation	17	-	17
Sales, redemptions	-	-120	-120
Balance at 31 December 2014	**17**	**3.802**	**3.819**

The “Other receivables” includes loans given to various companies to finance the start-up of production facilities for which we will receive potential off-takes in return. All these loans are secured by underlying assets of those companies.

NOTE 9 – INVENTORIES

EUR 1.000	31-12-14	31-12-13
Manufacturing		
Raw materials and consumables	1.385	2.827
Finished products	1.934	1.445
Trading		
Finished products	12.907	18.357
Total inventories	**16.226**	**22.629**

The Manufacturing inventories consist of finished products and raw materials and consumables of BAGR. The finished products are already sold and in the course of delivery to the client.

The Trading inventories are commodities that are already sold by, but still held by the Trading companies as the Company still retains the principal risks and rewards of ownership. These inventories are pledged as a security for trade finance facilities.

No impairment has been recorded for the inventories during the year.

NOTE 10 – RECEIVABLES PREPAYMENTS AND ACCRUED INCOME

EUR 1.000	31-12-2014	31-12-2013
Trade receivables	55.845	65.761
Shareholder	194	-
Related parties	14.227	4.558
Other receivables	5.996	6.529
Taxation	604	211
Prepayments and accrued income	634	969
Total receivables, prepayments and accrued income	**77.501**	**78.028**

The Trade receivables are mainly related to the Steel trading activities (2014: EUR 48.265 thousand; 2013 EUR 54.674 thousand) and the Non-Ferrous Trading activities (2014: EUR 6.048 thousand; 2013 EUR 10.520 thousand), which are both pledged as collateral for trade financed loans. The credit risk of the Trade receivables is insured at renowned insurance firms and almost all trade receivables were collected in the first quarter of 2015. With regards to the receivables from related parties and the shareholder, an interest of 7%-9,75% per annum is charged.

Within other receivables a deferred royalty is included at a net present value of EUR 4,2 million (2013: EUR 3,9). This deferred royalty is related to the Otjozondu manganese project, which was initiated by Metalcorp and now being further developed by Shaw River Manganese Ltd. (Australia). The royalty will be repaid on a per-tonne-produced-basis upon the start of the production. The production started and currently test shipments are in process. The nominal value of the deferred royalty amounts to USD 7,0 million (2013: USD 7,0 million).

NOTE 11 – SECURITIES

EUR 1.000	01-01-13	Acquisition	Disposal	Revaluation	31-12-13
Unlisted securities	785	6.700	-	124	7.609
Listed securities	596	-	-368	-163	65
Total	**1.381**	**6.700**	**-368**	**-39**	**7.674**

EUR 1.000	01-01-14	Acquisition	Disposal	Revaluation	31-12-14
Unlisted securities	7.609	6.700	-	-78	14.230
Listed securities	65	-	-	233	298
Total	**7.674**	**6.700**	**-**	**155**	**14.528**

These securities are held, mainly to secure off-take contracts. The securities are valued at market value and all the listed securities are listed on the Australian Stock Exchange. The unlisted securities include a portfolio of shares of the Company's parent company, which are held for trading in relation with future business acquisitions (reference is made to note 18).

NOTE 12 – CASH AND CASH EQUIVALENTS

An amount of EUR 14,2 million of the Cash and Cash Equivalents is restricted as this cash is mainly deposited at multiple renowned trade finance banks and serve as cash collateral for trade finance transactions at 31 December 2014. Trade finance has a self-liquidating character, which means that the cash becomes unrestricted upon completion of the trade finance transaction.

NOTE 13 – SHARE CAPITAL AND RESERVES

The movement in Equity is provided in E. Consolidated statement of changes in equity.

ISUED SHARE CAPITAL

The issued share capital of the Company amounts to EUR 70 million (2013: EUR 40 million) divided into 70 million ordinary shares of EUR 1 per share. The total number of authorized shares is 110 million (2013: 50 million shares). The majority of the shares are owned by Lunala Investments S.A. (Luxembourg). The increase in the issued share capital in 2014 is related to the conversion of revaluation and other reserves.

TRANSLATION RESERVE

The translation reserve comprise of all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of intercompany loans of permanent nature.

REVALUATION RESERVE

In accordance with Dutch law (art. 2:390) the result that applies to the evaluations of securities without a frequent market listing is non-distributional and allocated to the revaluation reserve (legal reserve).

The profit of current year contains a loss of EUR 78 thousand related to unrealized changes in the fair value of unlisted securities, which is non-distributional. Reference is made to note 11.

NOTE 14 – LIABILITIES

EUR 1.000	31-12-2014	31-12-2013
Long-term liabilities		
Bank loans (> 1 year)	3.833	5.000
Bonds	29.468	10.987
Long term leasing	1.178	1.360
Other Long-term Liabilities	8.963	8.976
	43.442	**26.323**
Current liabilities and accruals		
Bank loans (< 1 year)	73.201	77.606
Short term portion of leasing	516	84
Trade payables	17.004	20.361
Related parties	1.202	2.564
Taxes and social security charges	577	382
Other current liabilities	432	1.376
Accrued liabilities and deferred income	5.280	5.100
	98.211	**107.474**

LONG TERM LIABILITIES

The Long term liabilities are those bank loans and lease obligations which are due in more than 1 year. None of these are due in more than 5 years.

Bank loans (>1 year) represent a subordinated loan provided until 2018 with a rate of 4% and is due in quarterly installments.

Bonds represent the listed bond on the Frankfurt Exchange, which was placed 27 July 2013 and a tab issue of EUR 10,4 million was successfully completed on 2 June 2014. The term of the bond is 5 years with an interest of 8,75% per annum (paid out annually). The Fair value of the bond amounts to EUR 29.881 thousand at 31 December 2014.

With regards to Long term leasing, reference is made to Note 15.

Other long-term liabilities represent loans given by a private fund (EUR 5 million and EUR 4 million – both compensated by the straight lining of the setup fee) at an interest rate of 10% and a duration of 5 years (expiring in April 2016).

Current liabilities and accruals

All liabilities due in less than a year plus bank credit related to trade finance are classified as current liability. Inventory and debtors have been pledged as collateral. The following rates with respective amounts apply to the bank loans:

EUR	Max. Facility	Amount 2014
Trade finance		
Uncommitted facilities - interest applied deal by deal based on framework agreements	Deal-by-deal basis	67.753
Working capital facilities		
Euribor + markup 3% - 5%	1.181	878
7,9% - 9,3% variable	1.500	1.064
6% - 7,5% fixed	4.225	3.506
Total bank loans (< 1 year)		**73.201**

Note 15 – Leasing

The obligations for leases entered into are shown below:

EUR 1.000	2014	2013
Lease installments < 1 year	516	84
Lease installments 1 - 5 years	1.178	1.360
Total lease installments	**1.694**	**1.444**

The lease obligations contain financial lease liabilities of plant and equipment. The assets leased under financial leasing terms have been accounted for in the balance sheet under tangible fixed assets at EUR 1.374 thousand at 31 December 2014. BAGR is not the legal owner of these assets.

The charge in the profit and loss account for FY 2014 amounts to EUR 77 thousand.

NOTE 16 – FINANCIAL INSTRUMENTS

The table below provides an overview of the financial instruments of the group divided into the classes Fair Value through Profit and Loss ("FVTPL"), Loans and Receivables, and Available-for-Sale. Held-to-maturity instruments are not applicable.

2013 EUR 1.000	note	FVTPL	Loans and receivables	Available-for-sale	Total
Financial Fixed assets - other receivables	8	-	3.922	-	3.922
Receivables, prepayments and accrued income	10	-	78.028	-	78.028
Securities	11	-	-	7.674	7.674
Cash and cash equivalents	12	10.371	-	-	10.371
Total financial assets		**10.371**	**81.950**	**7.674**	**99.995**
Borrowings	14	-	26.323	-	26.323
Current liabilities and accruals	14	43	107.431	-	107.474
Total financial liabilities		**43**	**133.753**	**-**	**133.796**

2014 EUR 1.000	note	FVTPL	Loans and receivables	Available-for-sale	Total
Financial Fixed assets - other receivables	8	17	3.802	-	3.819
Receivables, prepayments and accrued income	10	-	77.501	-	77.501
Securities	11	-	-	14.528	14.528
Cash and cash equivalents	12	17.781	-	-	17.781
Total financial assets		**17.798**	**81.303**	**14.528**	**113.630**
Borrowings	14	-	43.442	-	43.442
Current liabilities and accruals	14	99	98.112	-	98.211
Total financial liabilities		**99**	**141.554**	**-**	**141.653**

FAIR VALUE MEASUREMENTS

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. Metalcorp Group B.V. classifies the fair values of its financial instruments into a three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Metalcorp Group B.V. can assess at the measurement date; or
- Level 2 - Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or
- Level 3 - Unobservable inputs for the assets or liabilities, requiring Metalcorp Group B.V. to make market based assumptions.

In the table above (in which the financial instruments are presented) only the securities are valued at fair value as well as the FVTPL part of the Current liabilities. The Fair Value hierarchy of these items are provided in the table below:

2013 EUR 1.000	Level 1	Level 2	Level 3	Total
Securities	65	-	7.609	7.674
Total financial assets	**65**	**-**	**7.609**	**7.674**
Current liabilities and accruals	43	-	-	43
Total financial liabilities	**43**	**-**	**-**	**43**

2014 EUR 1.000	Level 1	Level 2	Level 3	Total
Securities	298	-	14.230	14.528
Total financial assets	**298**	**-**	**14.230**	**14.528**
Current liabilities and accruals	99	-	-	99
Total financial liabilities	**99**	**-**	**-**	**99**

During the year no amounts were transferred between Level 1, Level 2 and Level 3 of the fair value hierarchy. As at 31 December 2014 no financial assets and liabilities were subject to offsetting.

The Level 1 securities are related to ASX listed shares and are measured using quoted prices. The level 3 securities are mainly related to unlisted shares. The level 1 Current liabilities and accruals primarily include futures with a tenor of less than one year and options that are exchange traded. In circumstances where Metalcorp Group B.V. cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

FINANCIAL AND CAPITAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

A. Credit risk
B. Liquidity risk
C. Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

A. CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans related to resources development:

- The Financial fixed assets are secured by underlying assets of those companies. Reference is made to note 8.
- The Receivables, prepayments and accrued income mainly consists of Trade Receivables which is secured by adequate credit insurance.

  The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. During 2014 and 2013 none of the Group's revenue attributable to sales transactions with a single multinational customer exceeded 10%.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's payment and delivery terms and conditions are offered. This is done in close cooperation with the Trade Finance banks and Credit insurance companies. Nevertheless, in principle insurance coverage is obtained for all Trade Receivables.

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. With regards to its hedging activities, that primarily take place in the trading activities, the Company implemented a policy that hedging is only allowed under a tri-partite agreement in order to avoid margin calls.

C. Market risk

Market risk is the risk that results out of changes in market prices, such as foreign exchange rates, interest rates, market prices and equity prices and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the Group. In principle all derivatives are accounted at FVTPL; if required and appropriate, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

The Production facilities mainly enter in to euro agreements and therefore, the currency risk is insignificant.

The Trading activities are mainly exposed to the USD/EUR exchange rate, as the trades are predominantly in USD and the reporting currency is in EUR. However, the currency risk is limited as contract deals are denominated in USD for both purchases and sales. Purchases are financed by means of trade finance in USD as well. As the purchase, sale and financing are all in USD, and as trading occurs in principle on a back-to-back basis, the deals are naturally hedged.

Interest rates

To limit the interest rate risk, the Company decided to only give out and obtain loans with a fixed interest rate. For overdraft facilities the risk is limited due to the short term of these facilities.

Market price risk

The Production facilities mainly produce on the basis of tolling agreements. In these agreements the purchase of material is related to the sale and the price risk is mitigated.

The Company mainly enters into back-to-back deals, which means that the market price risk is naturally hedged. In case that that a trade is subject to price risk, this is hedged through adequate instruments. When instruments are required, the Company prepares a sensitivity analysis with regards to the impact of the changes in commodity price and (if applicable) the changes in foreign currency risks. Based on this analysis an adequate non speculative hedging strategy is applied.

At 31 December 2014, the Company has a limited number of hedging instruments, which are presented under Current liabilities and accruals. These instruments are designated as FVTPL and include trade related financial and physical forward purchase and sale commitments. Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows.

It is the Group's policy that transactions and activities in trade related financial instruments are netted. Note that the Company only purchases futures and options. In principle the Company does not write futures and options.

2014	EUR 1.000
Commmodity related contracts	
Futures	99
Options	-
Total Current liabilities FVTPL	**99**

The total gain in the consolidated statement of income amounts to EUR 173 thousand. All derivatives mature within the first three months of 2015. The Company had instruments for a total of EUR 43 thousand at 31 December 2013.

Equity price risk

The Company invested into listed and unlisted shares of junior mining companies to secure its (future) off-take contracts. These securities are presented in Note 11 Securities. The listed securities are subject to market indices of mainly the Australian Stock Exchange. The exposure is limited as the total position amounts to EUR 353K. The Company is closely involved in these mining companies and monitors the progress on an on-going basis. Management is of the opinion that, by nature, the market index of junior mining companies increases when production starts.

NOTE 17 – REMUNERATION OF KEY MANAGEMENT

The remuneration of key management (directors) of the legal entity is as follows:

EUR 1.000	2014	2013
short-term employee benefits	301	412
post-employment benefits	-	-
other long-term benefits	-	-
Total	**301**	**412**

Note that the supervisory board is not remunerated.

NOTE 18 – TRANSACTIONS WITH RELATED PARTIES

In 2014, the Company conducted various transactions with related parties.

EUR 1.000	Note	2014	2013
Shareholder <1yr	10	194	-
Related parties <1yr	10	14.227	4.558
Total Receivables		**14.421**	**4.558**
Related parties <1yr	13	1.202	2.564
Total Liabilities		**1.202**	**2.564**

The receivable from related parties will be repaid in the next 12 months.

The Company has 2.144 shares in its parent company (2013: 1.072 shares) that can be used in future transactions and are included in the unlisted securities (reference is made to note 11). The purchase price in 2014 amounted to EUR 6.700 thousand. Furthermore, the Non-ferrous trading team developed a contract for a related party for an amount of EUR 1,2 million and the position includes invoices to related parties in connection with the new structural setup in the non-ferrous business (EUR 6,7 million).

NOTE 19 – GUARANTEES

The Company has provided several corporate guarantees to subsidiaries and related parties and in principle these are all related to trade finance. The possibility of any cash outflow with regards to these guarantees is remote.

NOTE 20 – CONTINGENT ASSETS AND LIABILITIES

In the course of business, the company is involved in discussions with business partners from time to time. These discussions may include the interpretation and compliance with the terms and conditions of agreements and may also include claims made by the company, as well as against the company. At year end, no claims against the company existed - if any - that were assessed to be probable, nor possible to be successful.

NOTE 21 – AUDITOR'S REMUNERATION

EUR 1.000	2014	2013
Audit of the financial statements	255	264
Other audit engagements	8	30
Total professional service fees	**263**	**294**

NOTE 22 – LIST OF PRINCIPAL OPERATING, FINANCIAL AND INDUSTRIAL SUBSIDIARIES AND INVESTMENTS

Name	Country of incorporation	Ownership interest	
		2014	2013
Consolidated (direct)			
BAGR Non-Ferrous Group mbH	Germany	100,0%	100,0%
Tennant Metals Group B.V.	The Netherlands	100,0%	94,0%
TM Australia Holding B.V.	The Netherlands	100,0%	94,0%
Metalcorp Iron Ore and Mining B.V.	The Netherlands	73,2%	73,2%
Orlyplein Investment B.V.	The Netherlands	100,0%	100,0%
Steelcorp Industries B.V.	The Netherlands	100,0%	0,0%
Steel and Commodities S.A.M.	Monaco	100,0%	100,0%
Steelserv Group B.V.	The Netherlands	100,0%	100,0%
Tennant Metals UK Ltd.	United Kingdom	100,0%	100,0%
Yinchen B.V.	The Netherlands	100,0%	0,0%
Consolidated (indirect)			
BAGR Berliner Aluminiumwerk GmbH	Germany	94,0%	94,0%
Mining & Minerals Ltd.	Sierra Leone	79,9%	79,9%
Management Inmuebles Vizcaya, S.L.	Spain	94,0%	0,0%
Norwich Sarl	Luxembourg	94,0%	70,4%
Société des Bauxites de Guinée S.A.	Guinea	76,1%	76,1%
Steelcom Pipe International LLC	USA	65,0%	65,0%
Steelcom USA LLC	USA	100,0%	100,0%
Steel and Commodities Iberica S.L.	Spain	100,0%	100,0%
MCG-SRR B.V.	The Netherlands	100,0%	100,0%
Tamarix NOA S.L.	Spain	94,0%	38,5%
Tennant Metals GmbH	Germany	94,0%	94,0%
Tennant Metals (Pty) Ltd.	Australia	100,0%	94,0%
Tennant Metals S.A.M.	Monaco	100,0%	94,0%
Tennant Metals South Africa (Pty) Ltd.	South Africa	100,0%	94,0%
W.P. Pals Holding B.V.	The Netherlands	94,0%	94,0%
Non-consolidated (Associates)			
Kanabeam Zinc Ltd.	Namibia	24,4%	94,0%

In 2014 the following key changes are effected:

- The Company sold 69,9% its shares in Kanabeam Zinc Ltd.
- The Company increased its share of Norwich and Tamarix to 94%
- As a result of the optimization of the division structure, the shareholding in TM Australia Holding B.V. and Tennant Metals Group B.V. were transferred from BARG Berliner Aluminiumwerk GmbH to Metalcorp Group B.V.

COMPANY FINANCIAL STATEMENTS

A. Company statement of profit or loss and financial position

B. Notes to the company financial statements

A. Company statement of profit or loss and financial position

(before appropriation of result)

COMPANY STATEMENT OF PROFIT OR LOSS

EUR 1.000	Note	2014	2013
Income from subsidiaries, net of income tax	3	957	2.718
Other income and expeses, net of income tax		2.784	-152
Profit from continuing operations		**3.741**	**2.566**

COMPANY STATEMENT OF FINANCIAL POSITION

EUR 1.000	Note	31-12-2014	31-12-2013
Assets			
Non-current assets			
Property plant and equipment		51	78
Intangible fixed assets	2	13.708	13.708
Financial fixed assets	3	92.847	89.022
Total non-current assets		**106.606**	**102.808**
Current assets			
Receivables, prepayments and accrued income	4	23.708	7.982
Cash and cash equivalents	12	30	-
Total current assets		**23.738**	**7.982**
Total assets		**130.344**	**110.790**
Equity and liabilities			
Equity			
Share capital	5	70.000	40.000
Share premium	5	9.628	2.218
Revaluation reserve	5	-	65.053
Translation reserve	5	37	349
Other reserves	5	3.081	-27.644
Result for the year	5	3.741	2.566
Equity attributable to the owners of the company		**86.487**	**82.542**
Non-current liabilities			
Loans and borrowings	6	29.468	10.987
Provisions	3	653	653
Total non-current liabilities		**30.121**	**11.640**
Current liabilities and accruals	6	13.736	16.608
Total current liabilities		**13.736**	**16.608**
Total equity and liabilities		**130.344**	**110.790**

B. Notes to the company financial statements

Note 1 – Accounting Policies

1.1 General

The Company financial statements are part of the 2014 financial statements of Metalcorp Group B.V.

1.2 Accounting principles

For establishing the principles for the recognition and measurement of assets and liabilities and determination of the result for its Company financial statements, Metalcorp makes use of the option provided in Section 362, Part 9 of Book 2 of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the Company financial statements of Metalcorp are the same as those applied for the consolidated financial statements (see note 1 of the Consolidated Financial statements). The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

With regards to the presentation of Company statement of income, the Company applied the exemption as provided in Section 402, Part 9 of Book 2 of the Netherlands Civil Code.

Note 2 – Intangible fixed assets

The movement in the intangible fixed assets is as follows:

EUR 1.000	Contract based intangible assets	Goodwill	**Total**
Gross carrying amount			
1 January 2013	-	5.914	5.914
Acquisitions	7.794	-	7.794
31 December 2013	**7.794**	**5.914**	**13.708**
Accumulated amortization and impairments			
1 January 2013	-	-	-
31 December 2013	**-**	**-**	**-**
Net book value at 31 December 2013	**7.794**	**5.914**	**13.708**

EUR 1.000	Contract based intangible assets	Goodwill	**Total**
Gross carrying amount			
1 January 2014	7.794	5.914	13.708
Acquisitions	-	-	-
31 December 2014	**7.794**	**5.914**	**13.708**
Accumulated amortization and impairments			
1 January 2014	-	-	-
31 December 2014	**-**	**-**	**-**
Net book value at 31 December 2014	**7.794**	**5.914**	**13.708**

For a detailed elaboration, reference is made to Note 8 of the Consolidated Financial statements.

NOTE 3 – FINANCIAL FIXED ASSETS

The financial fixed assets consist of the investment in subsidiaries. The movement is as follows:

EUR 1.000	2014	2013
Book Value		
Balance at 1 January	89.022	68.333
Acquisition	6.105	-
Capital contribution	6.700	24.761
Return of capital	-1.294	-
Sale	-4.345	-5.958
Movement in provision	-	-790
Share in result	957	2.718
Exchange rate differences	-637	-42
Other movements	-3.661	-
Balance at 31 December 2014	**92.847**	**89.022**
Accumulated provision for investments in Group Companies	-653	-653

NOTE 4 – RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

The breakdown of receivables, prepayments and accrued income is as follows:

EUR 1.000	31-12-2014	31-12-2013
Trade receivables	49	602
Shareholder	194	-
Group companies	9.976	3.992
Related parties	12.950	3.241
Other receivables	496	121
Prepayments and accrued income	42	26
Total receivables, prepayments and accrued income	**23.708**	**7.982**

NOTE 5 – SHAREHOLDER'S EQUITY

EUR 1.000	Issued share Capital	Share premium	Revaluation reserve	Translation reserve	Other reserves	Result for the year	**Total shareholder's equity**
2013							
Opening Balance	**40.000**	**2.218**	**65.053**	**520**	**-29.162**	**1.518**	**80.147**
Total comprehensive income and expense for the period							
Profit/(loss) for the period	-	-	-	-	-	2.566	2.566
Foreign currency translation differences	-	-	-	-171	-	-	-171
Total comprehensive income and expense for the period	**-**	**-**	**-**	**-171**	**-**	**2.566**	**2.395**
Other movements in equity							
Allocation of prior year result	-	-	-	-	1.518	-1.518	-
Total other movements in equity	-	**-**	**-**	**-**	**1.518**	**-1.518**	-
	40.000	**2.218**	**65.053**	**349**	**-27.644**	**2.566**	**82.542**
2014							
Opening Balance	40.000	2.218	65.053	349	-27.644	2.566	82.542
Total comprehensive income and expense for the period							
Profit/(loss) for the period	-	-	-	-	-	3.741	3.741
Foreign currency translation differences	-	-	-	-312	-	-	-312
Total comprehensive income and expense for the period	**-**	**-**	**-**	**-312**	**-**	**3.741**	**3.429**
Other movements in equity							
Reallocation of equity	30.000	7.410	-65.053	-	27.644	-	1
Return of capital of MIOM	-	-	-	-	-1.294	-	-1.294
Acquisition minority share	-	-	-	-	1.809	-	1.809
Allocation of prior year result	-	-	-	-	2.566	-2.566	-
Total other movements in equity	**30.000**	**7.410**	**-65.053**	**-**	**30.725**	**-2.566**	**516**
	70.000	**9.628**	**-**	**37**	**3.081**	**3.741**	**86.487**

Legal reserves (translation reserve and revaluation reserve) are not available for distribution to the Company's equity holders. If the legal reserves have a negative balance, distribution to the Company's equity holders is restricted to the extent of the negative balance. In 2014, Metalcorp Group B.V. has converted its reserves into share capital, resulting in a share capital of EUR 70 million and share premium of EUR 9,6 million. The return of capital of MIOM is a return of additional paid in capital by a third party shareholder. The acquisition of minority share reflects the fact that the Company became the sole shareholder in Tamarix. No dividend was paid out to the shareholders of the group.

NOTE 6 – LIABILITIES

EUR 1.000	31-12-2014	31-12-2013
Long-term liabilities		
Bonds	29.468	10.987
	29.468	**10.987**
Current liabilities and accruals		
Bank loans (< 1 year)	-	9.003
Trade payables	356	585
Group companies	11.119	5.862
Related parties	23	23
Accrued liabilities and deferred income	2.238	1.135
	13.736	**16.608**

Bonds represent the listed bond on the Frankfurt Exchange, which was placed 27 July 2013 and a tab issue of EUR 10,4 million was successfully completed on 2 June 2014. The term of the bond is 5 years with an interest of 8,75% per annum (paid out annually). The Fair value of the bond amounts to EUR 29.881 thousand at 31 December 2014.

SIGNING OF THE FINANCIAL STATEMENTS

Amsterdam, 26 March 2015

<signed on original>	<signed on original>
______________________________	______________________________
Victor Carballo Director and Chief Executive Officer	Pascale Younès Director

<signed on original>	<signed on original>
______________________________	______________________________
Ioannis Zaimis Chairman of the Supervisory Board	Andreas Hammerschmidt Vice-Chairman of the Supervisory Board

<signed on original>

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Christina Soterious
Member of the Supervisory Board

OTHER INFORMATION

1. INDEPENDENT AUDITOR'S REPORT

Reference is made to the independent auditor's report on page 52.

2. SUBSEQUENT EVENTS

There were no subsequent events occurred.

3. APPROPRIATION OF RESULTS

The profit earned in a financial year is at the disposal of the general meeting. The Company may pay dividends only insofar as its equity exceeds the paid-in and called-up capital plus the reserves the company is required by law to maintain. Dividends are paid after adoption of the annual accounts, if the annual accounts demonstrate that dividend payments are permissible. Dividends are due and payable immediately after they are declared, unless the general meeting fixes another date in the relevant resolution. A shareholder's claim to a dividend will lapse five years after the dividend becomes due and payable. The general meeting may resolve to pay interim dividends and to pay dividends from a reserve that the Company is not required by law to maintain. The general meeting may resolve to pay dividends in kind. The shares held by the Company in its own capital are to be disregarded in the calculation of the amount of dividend to be paid on shares.

In accordance with the prospectus of the bond (see Note 14 to the consolidated financial statements) the dividend is limited to 50%.

APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2013

The Company-only annual report of 2013 was approved in the General Meeting of Shareholders. The General Meeting of Shareholders has determined that the appropriation of result in accordance with the proposal being made to add the result of 2013 to the Other Reserves.

PROPOSED APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2014

The Board of Directors proposes to transfer the result over the financial year 2014 to the other reserves. The financial statements do not yet reflect this proposal.

Independent auditor’s report

To: the General Meeting of Metalcorp Group B.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 of Metalcorp Group B.V., Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2014, the 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 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the director's report in accordance with Part 9 of Book 2 of the Netherlands 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 Company’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 Company’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 consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Metalcorp Group B.V. as at 31 December 2014 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Metalcorp Group B.V. as at 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the director's 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 director's report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 26 March 2015

KPMG Accountants N.V.

<signed on original>

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A.A. Kuijpers RA