

RF HOLDING ApS

Annual report

1 January 2014 - 31 December 2014

**The annual report has been presented and
approved on the company's general meeting the**

29/05/2015

Andrew Woods

Chairman of general meeting

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Company information

Reporting company RF HOLDING ApS
Omøgade 8, 2
2100 København Ø

CVR-nr: 24233227
Reporting period: 01/01/2014 - 31/12/2014

Auditor Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S
DK Denmark
CVR-nr: 33963556
P-number: 1017192430

Statement by Management

The Management has today presented the Annual Report for 2014 of RF Holding ApS.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2014, and the results for the financial year 1 January - 31 December 2014.

We believe that the Management's Commentary contains a fair review of the affairs and conditions referred to therein.

The Annual Report is submitted for adoption by the General Meeting.

Copenhagen, the

Management

James Bradley Unsworth

Henry Reichmann

Independent Auditor's Reports

To the shareholder of RF Holding ApS

Report on Financial Statements

We have audited the financial statements of RF Holding ApS for the financial year 1 January – 31 December 2014, which comprise a summary of significant accounting policies, income statement, balance sheet and disclosures. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Executive and supervisory board's responsibility for financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. 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 judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors and board of executives, as well as the overall presentation of the financial statements.

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

The audit has not resulted in any qualifications.

Opinion

In our opinion the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2014 and of its financial performance for the financial year 1 January 2014 - 31 December 2014, in accordance with the Danish Financial Statements Act.

Reports on other Legal and Regulatory Requirements

Statement on Management's review

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

On this basis, it is our opinion that the information provided in the Management's Review is consistent with the financial statements.

Copenhagen,

Lars Andersen
State Authorised Public Accountant
Deloitte Statsautoriseret
Revisionspartnerselskab

Lasse Sværke
State Authorised Public Accountant
Deloitte Statsautoriseret
Revisionspartnerselskab

Management's Review

Principal activities

The Company's objective is to conduct trade and financial activities, including the acquisition of and investment in share capital as a holding company in Danish and foreign companies, and any other similar business in accordance with the decision of the management board.

Investment in subsidiaries

The company has performed an impairment test and subsequently decided to write down the investment in RIMI Capital LLC to DKK 0.

Based on the fair value in the subsidiary Reichmann International Mexico S.A. de C.V. for 2014, the Company has decided to write back on the investment to match the equity of the subsidiary at 31 December 2014.

Tax case regarding withholding tax on dividend to parent company

In the ongoing dispute with SKAT regarding withholding tax on dividend paid to the parent company in 2006, the Company has received a ruling from the Eastern High Court on 13 March 2015 which has ruled in favour of SKAT. The amount of withholding tax in dispute is DKK 17,604,962.

It is the Company's opinion that it was correct not to withhold tax on the dividend. The ruling from the Eastern High Court has therefore been appealed to the Supreme Court.

SKAT has however not accepted an extension of the tax payment while the case is running and the amount was therefore paid to SKAT in 2012 by the parent company.

Financial development

Based on the above, the Company considers the results for the year to be satisfactory under the circumstances.

Events after closing of the accounts

Besides the above Tax case no events have occurred after the year-end of the financial year that may have a significant impact on the financial position of the company.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

Changes in accounting policies

There are no changes in accounting policies.

Referring to section 110 of the Danish Financial Statements Act, RF Holding ApS has not prepared any consolidated financial statements.

GENERAL

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and write-down, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will accrue to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will not accrue to the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant yield to maturity. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

The Annual Report has been prepared in DKK.

INCOME STATEMENT

Administrative and external expenses

Administrative expenses comprise expenses incurred during the year for management and administration. Also in this, items are written down for bad debt losses.

Financial income and financial expenses

Financial income and financial expenses include interest, financial expenses in connection with capital leases, realised and unrealised exchange rate adjustments as well as non-deductible charges and allowances under the tax on account scheme. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Dividend from investments will be booked as income in the year the dividend is declared.

Tax for the year

The tax for the year consists of the current tax and the deferred tax for the year. The tax relating to the

results is recognised in the income statement, whereas the tax directly relating to equity entries is taken directly to equity.

BALANCE SHEET

Financial fixed assets

Shares in group enterprises are measured at historical cost. Under circumstances where the cost exceeds the net realisable value, then the value is written down to the lower value.

Receivables

Receivables are measured at amortised cost. The value will be reduced by the provision for bad debts.

Prepayment and deferred income

Prepayments stated as assets include expenses paid relating to subsequent financial years.

Dividend

Dividends that are expected to be paid for the year are recognised in the balance sheet as a liability.

Tax payable and deferred tax

Current tax liabilities and tax receivables are recognised in the balance sheet as calculated tax of taxable income for the financial year adjusted for the tax paid in previous years and paid tax on account.

Deferred tax is measured on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets, including the tax value of tax losses carried-forward, are measured at the value at which the asset is expected to be realised, either by elimination against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. A change in the deferred tax, which is a result of changes to tax rates, is recognised in the income statement with the exception of items that are taken directly to equity.

Financial debt

Financial liabilities are recognised initially at the proceeds net of loan expenses incurred. In the subsequent periods the financial liabilities are measured at amortised cost equal to the capitalised value by using the effective yield method in order for the difference between the proceeds and the redemption value to be recognised in the income statement over the period of the loan.

Other liabilities are measured at amortised cost corresponding substantially to nominal value.

Translation policies

Transactions in foreign exchange are translated at exchange rates approximating those in effect at the date of each transaction. Exchange rate adjustments arising between the transaction date rates and the rates at the date of payment are recognised under financials in the income statement. When exchange rate transactions are considered as hedging of future cash flows, the adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign exchange not settled at the balance sheet date are translated at the average of the buy and sell exchange rates available at the close of business on the balance sheet date. Differences between the exchange rates at the balance sheet date and the transaction date rates are recognised under financials in the income statement.

Income statement 1 Jan 2014 - 31 Dec 2014

	Disclosure	2014	2013
		kr.	kr.
Administrative expenses		-963,912	-876,428
Gross Result		-963,912	-876,428
Profit (loss) from ordinary operating activities		-963,912	-876,428
Income from investments in group enterprises		2,387,613	22,070,840
Other finance income		2,600	33,816
Sundry finance expenses		-6,003	-2,546
Profit (loss) from ordinary activities before tax		1,420,298	21,225,682
Extraordinary profit (loss) before tax		1,420,298	21,225,682
Tax expense			0
Profit (loss)		1,420,298	21,225,682
Proposed distribution of results			
Proposed dividend recognised in equity		0	0
Retained earnings		1,420,298	21,225,682
Proposed distribution of profit (loss)		1,420,298	21,225,682

Balance sheet 31 December 2014

Assets

	Disclosure	2014 kr.	2013 kr.
Investments in group enterprises		33,260,110	30,872,497
Investments	1	33,260,110	30,872,497
Total non-current assets		33,260,110	30,872,497
Receivables from group enterprises		0	196,505
Deferred income assets		13,956	0
Receivables		13,956	196,505
Current assets		13,956	196,505
Total assets		33,274,066	31,069,002

Balance sheet 31 December 2014

Liabilities and equity

	Disclosure	2014 kr.	2013 kr.
Contributed capital		780,000	780,000
Retained earnings		31,574,800	30,154,502
Total equity	2	32,354,800	30,934,502
Payables to group enterprises		578,516	0
Other payables		340,750	134,500
Short-term liabilities other than provisions, gross		919,266	134,500
Liabilities other than provisions, gross		919,266	134,500
Liabilities and equity, gross		33,274,066	31,069,002

Disclosures

1. Investments

Investment in Group enterprises

	2014 kr.	2013 kr.
Historical cost at 1 January	308.628.459	308.628.459
Disposals/additions	0	0
Historical cost at 31 December	308.628.459	308.628.459

Write back / down of investments

Opening Balance	-277.755.962	-299.826.802
Write back/down for the year	2.387.613	22.070.840
Closing Balance	-275.368.349	-277.755.962
Carrying amount	33.260.110	30.872.497

Investments in subsidiaries can be specified as follows, DKK

	Equity	Profit (loss)	Ownership	Carrying amount
RIMI Capital LLC, USA	-271.322.277	3.902.148	100%	0
Reichmann Int. Mexico SA de CV, Mexico	33.260.110	2.313.078	98.84%	33.260.110
Net Book Value				33.260.110

The accounts for the subsidiaries are based on audited accounts for 2014.

2. Total equity

The share capital for the last 5 years can be specified as follows:

	2010	2011	2012	2013	2014
Balance on 1 January	125.000	780.000	780.000	780.000	780.000
Increase in share capital	655.000	0	0	0	0
Balance on 31 December	780.000	780.000	780.000	780.000	780.000

	Share capital kr.	Retained earnings kr	Proposed dividend kr	Total kr
Opening balance	780.000	30.154.502	0	30.934.502
Proposed distribution profit	0	1.420.298	0	1.420.298
Closing balance	780.000	31.574.800	0	32.354.800

3. Disclosure of contingent assets

The company has an unrecognized tax asset as a result of unused carried forward tax losses.

4. Disclosure of contingent liabilities

The Company has an ongoing court case with SKAT. In the event that the court case is lost the Company could be liable for costs in relation to this.