

Report of the financial auditor

To the shareholders of S.C. TMK Artrom SA

Report on the financial statements

- 1 We have audited the accompanying financial statements of S.C. TMK Artrom SA ("the Company"), which comprise the balance sheet as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the six months period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

- 2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Order of the Minister of Public Finance no. 1286/2012 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications, and for such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as adopted by the Romanian Chamber of Financial Auditors. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013, and of its financial performance and cash flows for the six months period then ended in accordance with the Order of the Minister of Public Finance no. 1286/2012 approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications.

Report on other legal and regulatory requirements

In accordance with the Order of the Minister of Public Finance no. 1286/2012, article no. 16 point c) from Chapter II, we have read the Directors' Report. The Directors' Report is not a part of the financial statements. In the Directors' Report we have not identified any financial information which is not in accordance, in all material respects, with the information presented in the accompanying financial statements as at 31 December 2013.

On behalf of

Ernst & Young Assurance Services SRL

Registered with the Chamber of Financial Auditors in Romania
No. 77/15 August 2001

Name of signing person: Bogdan Ion

Registered with the Chamber of Financial Auditors in Romania
No. 1565 / 29 July 2004

Bucharest, Romania
February 2014