

REPORT OF THE FINANCIAL AUDITOR

To the shareholders of S.C. TMK-ARTROM S.A.

Report on the financial statements

- 1 We have audited the accompanying financial statements of S.C. TMK-ARTROM S.A. ("the Company"), which comprise the statement of financial position as at 31 December 2014, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, presenting the following:

- ▶ Net assets/Total equity and reserves: 483,849 thousand lei
- ▶ Profit for the year: 40,618 thousand lei

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 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 2014, and of its financial performance and cash flows for the year 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 and applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications.

Report on conformity of the Administrators' Report with the financial statements

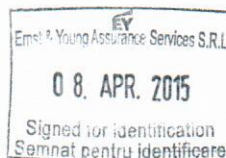
In accordance with the Order of the Minister of Public Finance no. 1286/2012, article no. 16 point c) from Chapter II, we have read the Directors' Report. The Directors' Report is not a part of the financial statements. In the Directors' Report we have not identified any financial information which is not in accordance, in all material respects, with the information presented in the accompanying financial statements as at 31 December 2014.

On behalf of

Ernst & Young Assurance Services SRL

Registered with the Chamber of Financial Auditors in
Romania

Nr. 77/15 August 2001



Sebastian Mocanu

Registered with the Chamber of Financial Auditors in
Romania

Nr. 1603 / 16 August 2005

Bucharest, Romania

8 April 2015