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***REPORT OF INDEPENDENT AUDITOR***

***TO THE SHAREHOLDERS OF CIECH SODA ROMANIA – JOINT STOCK COMPANY***

**Report on Financial Statements**

1 We have audited the attached financial statements of CIECH SODA ROMANIA JOINT-STOCK COMPANY ("Company") which comprise the balance sheet as at 31 December 2015, profit & loss account, cash flow statement and statement of changes in equity for the financial year which ended on that date, as well as notes including a summary of significant accounting policies and other explanatory information, numbered from page 1 to page 44. The above mentioned financial statements refer to:

• Total equity :

• Net profit of the financial year:

RON 216,919,729;

RON 157,120,111.

**Management’s responsibility for the financial statements**

2 Company’s Management is responsible for the fair preparation and presentation of these financial statements in accordance with the Order of the Romanian Minister of Public Finance no. 1802/2014 with subsequent amendments and the accounting policies described in Note 5 to these financial statements and for internal controls that management considers necessary in order to prepare financial statements free from significant misstatement due to fraud or errors.

**Auditor’s responsibility**

3 Our responsibility is that based on the conducted audit to express an opinion on these financial

statements. We conducted the audit in accordance with International Audit Standards. Those

standards require that we comply with ethical requirements, plan and conduct the

audit in order to obtain reasonable assurance that the financial statements are free from significant

misstatement.

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4 An audit involves conducting procedures in order to obtain audit evidence regarding the amounts and information disclosed in the financial statements. The selected procedures depend on auditor’s professional judgment, including the assessment of risks of significant misstatement of the financial statements, due to fraud or errors. In assessing those risks, the auditor takes into account the internal relevant control for the fair preparation and presentation of the Company financial statements in order to design the relevant audit procedures in due circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company’s internal control. An audit also includes the assessment of the degree of appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as the assessment of the overall presentation of the financial statements.

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

**Opinion**

6 In our opinion, the attached financial statements offer a fair picture, in all significant aspects, of the financial position of CIECH SODA ROMANIA SOCIETATE PE ACTIUNI as at 31 December 2015, as well as of its financial performance and cash flows for the financial year which ended on that date in accordance with the Order of the Romanian Minister of Public Finance no. 1802/2014 with subsequent amendments and the accounting policies described in Note 5 to these financial statements.

**Highlighting certain aspects**

7 We draw your attention upon Note 8.8 of these financial statements which states that on

31 December 2015 Company’s net assets, calculated as the difference between total assets and total liabilities of the Company, represent less than half of the share capital. In accordance with the Company Law no. 31/1990 republished, when such a fact is found, Company’s administrators must immediately convene the extraordinary general meeting of shareholders to decide on increasing the share capital, reducing it with an amount at least equal to the losses that cannot be covered by reserves or dissolution of the Company. The possible effects of the above mentioned aspects cannot be estimated at the date of this report and, therefore, these financial statements do not include adjustments or presentations that might result from these aspects. Our opinion does not contain restrictions on this aspect.

**Other aspects**

8 This report is intended solely for the Company shareholders as a whole. Our audit was conducted in order to be able to report to Company shareholders those aspects required to be presented in a financial audit report and not for other purposes. To the extent permitted by law, we do not accept and we do not assume responsibility to anyone other than the Company and its shareholders, as a whole, for our audit, for this report or for the expressed opinion.

9 The attached financial statements are not intended to present the financial position, the result of

the operations

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and a complete set of notes to the financial statements in accordance with accounting regulations and principles accepted in countries and jurisdictions other than Romania. That is why the attached financial statements are not designed for the use of those who do not know Romanian accounting and legal regulations including the Order of the Minister of Public Finance no. 1802/2014 with subsequent amendments.

**Report on the compliance of Administrators’ Report**

Administrators are responsible for preparing and presenting Administrators’ Report in accordance with the requirements of the Order of the Minister of Public Finance no. 1802/2014, articles 489 - 492, that is free from significant misstatement and for those internal controls that the management considers necessary to enable the preparation of an administrators’ report free from significant misstatement due to fraud or errors.

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Administrators’ Report is presented at pages 1 to 11 and is not part of the financial statements.

Our opinion on the attached financial statements does not cover Administrators’ Report.

In connection with our audit on the financial statements, we have read Administrators’ Report attached to the financial statements and we report that:

1. in Administrators’ Report we haven’t identified information which is not consistent in

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all significant aspects with the information presented in the attached financial statements;

1. Administrators’ Report, identified above, includes, in all significant aspects, the information requested by the Order of the Minister of Public Finance nr. 1802/2014, articles 489 - 492;
2. based on our knowledge and understanding about the Company and its environment, acquired during the audit of the financial statements prepared at 31 December 2015, we have not identified any information included in Administrators’ Report to be significantly inaccurate.

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Francesca Postolache

Statutory auditor registered at the

Romanian Chamber of Financial Auditors with no. 1716/19 September 2006

In the name of

PricewaterhouseCoopers Audit SRL g:

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Audit Company registered at the

Romanian Chamber of Financial Auditors with no. 6/25 June 2001

Bucharest, 30 May 2016

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