

KPMG Audit SRL
Victoria Business Park
DN1, Șoseaua București – Ploiești
no. 69-71
1st District

Tel.: +40 (21) 201 22 22
+40 (372) 377 800
Fax: +40 (21) 201 22 11
+40 (372) 377 700
www.kpmg.ro

P.O. Box 18-191
Bucharest 013685
Romania

Independent Auditors' Report

To the shareholders,
Vrancart S.A.

Report on the individual financial statements

- 1 We have audited the accompanying individual financial statements of Vrancart S.A. ("the Company"), which comprise the individual statement of financial position as at December 31st, 2015, the individual profit and loss account, the individual statements of profit and loss and the individual statements of other comprehensive income items, the changes in equity and cash flow for the financial year then ended, and notes, containing a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the individual financial statements

- 2 The Company's management is responsible for the preparation and fair presentation of these individual financial statements in accordance with the Order of the Vice Prime-minister, the Minister of Public Finances no. 1286/2012 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to trade companies whose securities are admitted to trading on a regulated market, with the subsequent amendments ("OVMFP no. 1286/2012"), and for such internal control as the management determines is necessary to enable the preparation of the individual 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 individual financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance that the individual financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the individual financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the individual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's individual 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 the

accounting policies used and the reasonableness of accounting estimates made by the 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 individual financial statements provide a true and fair view of the individual financial position of the Company as at December 31st, 2015, as well as of the individual result of its operations and of the individual cash flows for the year then ended in accordance with the Order of the Vice Prime-Minister, the Minister of Public Finances no. 1286/2012 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to trade companies whose securities are admitted to trading on a regulated market, with the subsequent changes.

Other Matters

- 7 In accordance with the Order of the Vice Prime-Minister, the Minister of Public Finances no. 1286/2012 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to trade companies whose securities are admitted to trading on a regulated market, with the subsequent changes, the Company has the obligation to prepare and to submit to financial audit the consolidated financial statements for the financial year ended on December 31st, 2015.
- 8 This independent auditor's report is addressed exclusively to the Company's shareholders, overall. Our audit was performed in order to be able to report to the Company's shareholders those aspects that we need to report in a financial audit report, and not for other purposes. To the extent permitted by law, we accept responsibility only towards the Company and its shareholders, overall, for our audit, for the report on the individual financial statements and the report to the manager's report or for the opinion stated.

Report on the managers' report

The managers are responsible for the preparation and submission of the managers' report in accordance with the Order of the Vice Prime-Minister, the Minister of Public Finances no. 1286/2012, with the subsequent amendments, points 10-12 of the accounting regulations compliant with the International Financial reporting Standards, applicable to trade companies whose securities are admitted to trading on a regulated market, and for that internal control that the managers deem necessary in order to allow the preparation of the managers' report that that is free from material misstatement, whether due to fraud or error.

The managers' report is presented from page 1 to 23 and it is not part of the individual financial statements.

Our opinion on the individual financial statements does not refer to the managers' report.

In relation to our audit on the individual financial statements for the financial year ended on December 31st, 2015, we have read the managers' report enclosed to the individual financial statements and presented from page 1 to page 23 and, based on this, we report that:

- a) in the managers' report, we have not identified any information that is inconsistent, in all significant aspects, with the information presented in the enclosed individual financial statements;
- b) the abovementioned managers' report includes, in all significant aspects, the information required by the Order of the Vice Prime-Minister, the Minister of Public Finances no. 1286/2012, with the subsequent amendments, points 10-12 of the accounting regulations compliant with the International Financial Reporting Standards, applicable to trade companies whose securities are admitted to trading on a regulated market.

Moreover, based on our knowledge and understanding acquired during the audit of the individual financial statements for the financial year ended on December 31st, 2015 on the Company and its environment, we have not identified any historical financial information included in the managers' report and, respectively, any information included in the section *Description of the main characteristics of internal control and risk management systems in relation the financial reporting process* from the managers' report that includes major errors.

The managers' report includes financial forecasts based on assumptions related to events that may occur in the future and measures that the Company's managements intends to take, and also includes operational information on the market and competition. The financial forecasts and the operational information on the market and competition do not fall within the scope of the audit of financial statements and, therefore, our report does not refer to any such information included in the managers' report.

For and on behalf of KPMG Audit SRL:

Soare Paula Raluca

registered with the Chamber of Financial
Auditors of Romania under no. 1518/2003

registered with the Chamber of Financial
Auditors of Romania under no. 9/2001

Bucharest, March 14th, 2015