



AUDIT EXPERT S.R.L.

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Authorized by the Chamber of Financial Auditors of Romania under no. 50/ 2001

REPORT OF THE STATUTORY AUDITOR

To,
the General Meeting of the Shareholders of ELECTROMAGNETICA S.A. Bucharest

Report on consolidated financial statements

1. We have audited the accompanying consolidated financial statements of ELECTROMAGNETICA S.A. BUCHAREST and its affiliates (the „Group”), which include the consolidated statement of financial position as of 31 December 2014, the consolidated statement of profit and loss and other elements of the comprehensive income, the consolidated statement of cash flow, the consolidated statement of changes in equity for the financial year then ended as well as a summary of the significant accounting policies and other explanatory notes numbered from page 1 to page 56.

The financial statements mentioned above refer to the:

- Total equity and liabilities: 330,836,568 Lei;
- Net result (profit) for the period: 7,581,605 Lei.

Management responsibility for the financial statements

2. The Group management is responsible for the preparation and fair presentation of these financial statements in accordance with Order no. 1286/2012 of the Minister of Public Finance approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, as further amended and supplemented and for such internal control which the management considers necessary in order to enable the preparation and fair presentation of the consolidated financial situations, free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

3. Our responsibility is to express an opinion on these consolidated financial statements, based on the audit we have performed. We have conducted our audit in accordance with the International Audit Standards. These standards require us to adhere to the ethical requirements, to plan and perform the audit in order to obtain a reasonable assurance that 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 selected procedures depend on the professional judgment of the auditor, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making this risk assessment, the auditor considers internal control relevant to the preparation and fair presentation by the entity of the consolidated financial statements of the Group, in order to design relevant audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes an evaluation of the appropriateness of the accounting policies used and of the reasonableness of the accounting estimates made by the management, as well as a review of the overall presentation of the consolidated 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 consolidated financial statements attached herewith give, in all material respects, a true and fair view of the financial position of S.C. ELECTROMAGNETICA S.A Bucharest and its affiliates as of 31 December 2014, as well as of the consolidated financial performance and consolidated cash flow for the financial year then ended, in accordance with Order no. 1286/2012 of the Minister of Public Finance approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, as further amended and supplemented.

Report on other legal and regulatory requirements

7. In accordance with Article 30 (c) Chapter III of Order no. 1286/2012 of the Minister of Public Finance, we have read the consolidated management report attached to the consolidated financial statements and numbered from page 1 to page 8. The consolidated management report is not an integral part of the consolidated financial statements. In the consolidated management report we have found no financial information to be significantly inconsistent with the information presented in the accompanying consolidated financial statements as of 31 December 2014.

Ploiesti – 25.03.2015

Financial Auditor,
Gheorghiu Genica – authorized under no. 2810/2009 with
The Chamber of Financial Auditors of Romania

On behalf of,

S.C. AUDIT EXPERT S.R.L.
Audit firm registered under no. 50/2001 with
The Chamber of Financial Auditors of Romania

General Manager
Constantin Maria – Record no. 184/2001