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Independent Auditors' Report (free translation)

To the shareholders of
S.C. Uzinele Sodice Govora – Ciech Chemical Group S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of S.C. Uzinele Sodice Govora – Ciech Chemical Group S.A. ("the Company"), which comprise the balance sheet as at 31 December 2013 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, presenting the following:

■ Negative net assets/Total negative equity and reserves:	518,805,764 lei
■ Loss for the year:	139,890,297 lei

Management's Responsibility for the Financial Statements

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. 3055/2009 and related amendments and accounting policies described in the notes to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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.

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.

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

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Opinion

In our opinion the financial statements for the year ended 31 December 2013 have been prepared, in all material respects, in accordance with the Order of the Minister of Public Finance no. 3055/2009 and related amendments and accounting policies described in the notes to the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 10.12 to the accompanying financial statements which describes that as at 31 December 2013 the Company has negative net assets of lei 518,805,764 and the current liabilities exceed current assets by lei 137.235.419. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the Company's management considers appropriate the going concern assumption used in the preparation of the accompanying financial statements, based on the ongoing financial support provided by Ciech Chemical Group. Furthermore, in such cases, when the Company's net assets, determined as the difference between total assets and total liabilities, are less than half of the subscribed share capital, in accordance with Law 31/1990 republished and modified by Law 441/2006 an Extraordinary Shareholders meeting should be organized to decide on the measures to implement as required by the legislation in force.

Other Matters

This independent auditors' report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for the report on financial statements and the report on conformity or for the opinion we have formed.

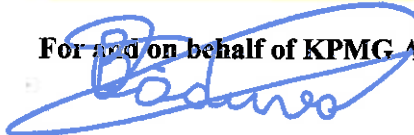
Report on conformity of the Administrators' Report with the Financial Statements


In accordance with the Order of the Minister of Public Finance no 3055/2009, article no. 318 point 2 of accounting regulations in accordance with the IV-th Directive of CEE we have read the Administrators' Report. The Administrators' Report is not a part of the financial statements. In the Administrators' 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.

Refer to the original
signed Romanian version



For and on behalf of KPMG Audit SRL:


Bogdan Vaduva
Registered with the Chamber of Financial
Auditors of Romania under no 4612/2014


KPMG Audit SRL
Registered with the Chamber of Financial
Auditors of Romania under no 9/2001