

Board of Administration of the Shareholders  
S.C. Mecanica Ceahlau INC Piatra Neamt

## REPORT OF THE INDEPENDENT AUDITOR

### Report regarding the financial situations

1. We have reviewed the enclosed financial situations of the trade company: MECANICA CEHLAU INC Piatra Neamt ("The company") including the balance on the 31<sup>st</sup> of December 2010, the profit and loss account, the situation for the change in the self capital and the cash flow situation concluded on that date, and a summary of the significant accounting politics and other explicative notes. The financial situations refer to:
  - Net Active/Total capitals: 35.666.330 lei
  - Net result of the financial exercise 2.222.540 lei profit

### *Administration responsibility for financial situations*

2. The company's management is responsible for the true elaboration and presentation of these financial situations according to the accounting law no. 82/1991, republished and the Order of the Ministry of Public Finances no.3055/2009, modified and completed by the Order of the Ministry of Public Finances no. 2869/2010, and for that internal audit that the management considers necessary to allow the elaboration of financial situation that do not present significant changes, either caused by fraud, or by error.

### *The auditor responsibility*

3. Our responsibility is that, based on the completed audit, to express an opinion regarding these financial situations. We completed the audit according the audit standards adopted by the Chamber of the Financial Auditors of Romania. These standards require us to comply with ethic requirements, plan and complete the audit for getting a reasonable insurance that the financial situations do not include significant changes.
4. An audit represents the completion of procedures in order to get audit tests regarding the amounts and information presented in the financial situations. The selected procedures depend on the auditor's professional reasoning, including the assessment of the risks implied by significant changes in financial situations, thanks to a fraud or error. In assessment of such risks, the auditor considers the internal control proper for the proper elaboration and presentation of the company's financial situations, so to establish the relevant audit procedures in given circumstances, but not for expressing an opinion upon the efficiency of the company's internal control. An audit also includes the assessment of a proper degree of the accounting politics used and the reasoning of the accounting assessment issued by the management, as well as the assessment of the presentation of financial situations, generally speaking.
5. We consider that the audit tests we obtained are enough and proper to form the base of our audit opinion.

*Opinion*

6. In our opinion, the financial situations truly present the financial position of the company, under all the significant aspects, on the 31<sup>st</sup> of December 2010, as well as its financial performance and that of its cash flow for the financial exercise concluded on this date, according to the requirements of the accounting standards of Romania, that is the Accounting law no.82/1991, republished, and the Order of the Ministry of Public Finances no. 3055/2009, modified and completed by the Order of the Ministry of Public Finances no.2869/2010 and with the accounting politics described in the notes to the financial situations.

*Other aspects*

7. This report is exclusively addresses to the shareholders of the company in general. Our audit was completed so to be able to report to the company's shareholders those aspects that we should report in a financial audit report, and not for other aims. Complying with the law, we do not accept and do not assume responsibility but for the company and its shareholders, in general, for our audit, for this report and the opinion.
8. The enclosed financial situations are not meant to present the financial position, the result of the operations and a full set of notes to the financial situations, according to rules and accounting principles in countries and jurisdictions except for Romania. Therefore, the enclosed financial situations are not elaborated for the use of the persons that do not know the accounting and legal rules of Romania.

**Report upon the conformity of the administrator's report with the financial situations**

According to the Order of the Ministry of Public Finances no. 3055/2009, modified and completed by the Order of the Ministry of Public Finances no. 2869/2010, Section 12, point 318, paragraph (2), we read the administrators report enclosed to the financial situations. The administrators report is not part of the financial situations. In this report, we did not identify financial information not complying with the information presented in the financial situations enclosed.

Onofrei Virginia Lidia, financial auditor  
Registered at the Chamber of the Financial Auditors of Romania  
With no. 863/2001

On behalf of:  
AUDIT SERV LTD  
Registered at the Chamber of the Financial Auditors of Romania  
With no. 549/2004

Bacau, 23<sup>rd</sup> of March 2011