

Independent Auditor's Report (free translation¹)

To the management of
S.C. Prospectiuni S.A.

- 1 We have audited the accompanying preliminary consolidated IFRS financial statements of S.C. Prospectiuni S.A. ("the Company") and of its subsidiaries: S.C. Codecs S.A., S.C. Econsa Grup S.A. and S.C. Prospectiuni Divizia Paza si Protectie S.R.L. (together "the Group") ("the preliminary consolidated IFRS financial statements") which comprise the preliminary consolidated statement of financial position as at 31 December 2011, the preliminary consolidated statement of comprehensive income, the preliminary consolidated statement of changes in equity and the preliminary consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. These preliminary consolidated IFRS financial statements have been prepared by the Company's management as part of the Group's conversion to International Financial Reporting Standards ("IFRS").

Management's Responsibility for the preliminary consolidated IFRS financial statements

- 2 Management is responsible for the preparation and presentation of the preliminary consolidated IFRS financial statements in accordance with the basis of preparation presented in Note 2 a) to the preliminary consolidated IFRS financial statements, which describes the application of IFRS under IFRS 1 "First-time adoption of International Financial Reporting Standards" ("IFRS 1"), including management's assumptions about the standards and interpretations which are expected to be applicable and accounting policies expected to be adopted as at 31 December 2012, when the Group will prepare its first complete set of consolidated IFRS financial statements and for such internal control as management determines is necessary to enable the preparation of the preliminary consolidated IFRS 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 preliminary consolidated IFRS financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the preliminary consolidated IFRS financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the preliminary consolidated IFRS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the preliminary consolidated IFRS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and presentation of the Group's preliminary consolidated IFRS 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 Group'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 preliminary consolidated IFRS 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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¹ TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version.

Opinion

- 4 In our opinion, the accompanying preliminary consolidated IFRS financial statements as at and for the year ended 31 December 2011 have been prepared, in all material respects, in accordance with the basis set out in Note 2 a), which describes how IFRSs have been applied under IFRS 1 "First-time adoption of International Financial Reporting Standards", including the assumptions management has made about the standards and interpretations expected to be effective, and the accounting policies expected to be adopted as at 31 December 2012, when the Group prepares its first complete set of consolidated IFRS financial statements.

Emphasis of Matter

- 5 Without qualifying our opinion, we draw attention to the following matters:
- As described in Note 2 a) to the preliminary consolidated IFRS financial statements, there is a possibility that the accompanying preliminary consolidated IFRS financial statements may require adjustment before constituting the first complete set of IFRS financial statements. As described in Note 2 a) to the consolidated preliminary IFRS financial statements, as part of its conversion to IFRSs, the Group has prepared the preliminary consolidated IFRS financial statements as at 31 December 2011 to establish the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group necessary to provide the comparative financial information expected to be included in the Group's first complete set of consolidated IFRS financial statements as at 31 December 2012. The preliminary consolidated IFRS financial statements do not themselves include comparative financial information for the prior period. Moreover, we draw attention to the fact that, under IFRSs, only a complete set of consolidated financial statements comprising a consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, together with comparative financial information and explanatory notes, can provide a fair presentation of the Group's consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with IFRSs.

Other matters

- 6 This report is intended solely for the information and use of management in connection with its conversion of the basis of the preparation of the financial statements to IFRSs. It should not be used or provided to other parties for any other purpose.

Report on conformity of the consolidated Administrators' Report with the preliminary consolidated IFRS financial statements

In accordance with the Order of the Minister of Public Finance no. 3055/2009 and related amendments, article no. 107 of the accounting regulations in accordance with the IV-th Directive of CEE we have read the consolidated Administrators' Report accompanying preliminary consolidated IFRS financial statements. The consolidated Administrators' Report is not a part of preliminary consolidated IFRS financial statements. In the consolidated 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 preliminary consolidated IFRS financial statements.

Refer to the original signed
Romanian version

William Archibald Bowman

KPMG AUDIT SRL

registered with the Chamber of Financial
Auditors of Romania under no 1510

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Bucharest, 9 July 2012