

S.C. H.M. AUDIT CONTAB S.R.L.
Company specialized in accounting, accounting expertise, financial auditing and fiscal consultancy
Member of CAFR, CECCAR SI CCF

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Judetul Bacau

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REVISION REPORT

OF THE INDEPENDENT FINANCIAL AUDITOR

BENEFICIARY:

- S.C. AEROSTAR S.A.

HEAD OFFICE:

- Bacau, 9 Condorilor Street,

MANAGEMENT:

- GENERAL DIRECTOR - GRIGORE FILIP
- FINANCE-ACCOUNTING DIRECTOR - DORU DAMASCHIN

STATUTORY AUDITOR:

- S.C. H.M. AUDIT CONTAB S.R.L.

- Authorization No. 1019 / 2010

REGISTERED HEAD OFFICE:

- Bacau, Ion Luca Caragiale Street, No. 1, bl. 1, sc. D, ap. 12

PLACE OF BUSINESS:

- Bacau, Pasajul Revolutiei Street, No. 3

MANAGEMENT:

- Financial Auditor - Ec. MONICA HUSANU

CONTRACT no 129 / 15.12.2015

**REPORT
REGARDING THE REVISION
OF THE INTERIM INDIVIDUAL FINANCIAL STATEMENTS
AS ON 30.06.2017**

TO THE SHAREHOLDERS OF S.C. AEROSTAR S.A.

Introduction:

We have audited the interim individual financial statements prepared by S.C. AEROSTAR S.A. („The Company”) as on 30.06.2017, which comprise: the individual Statement of the Financial Position, the individual Statement of Profit or Loss, Other Elements of the Global Result, the individual Statement of Company Capital Modifications, the individual Statement of Treasury Cash Flows, Notes to the Individual Financial Statements. The six months accounting reporting is accompanied by the Report of the Board of Directors, the Declaration of the Company Management in accordance with the Accounting Law No. 82/1991 republished and the Regulation no. 1/2006 issued by CNVM, currently the Financial Supervisory Authority (“ASF”).

It is the responsibility of the company management to prepare and adequately present the interim individual financial information in accordance with Order of the Public Finance Minister no 2844/2016 for the approval of the accounting Regulations in accordance with the International Financial Reporting Standards, applicable to companies whose securities are admitted for trading on a regular market, the Law no 24/2017 regarding the issuers of financial instruments and market operations, IAS 34 “Interim Financial Reporting” and the general frame for the accounting reporting applicable as on 30 June 2017.

This responsibility includes: design, implement and maintain a relevant internal control with respect to prepare and faithful presentation of the individual accounting reports, which are free of significant misrepresentations due to error or fraud; for the selection and application of adequate accounting policies; for reasonable accounting estimates in the circumstances given.

Our responsibility is to express a conclusion on these interim individual financial statements based on our review made in accordance with the International Auditing

Standards. Such standards require that we comply with the ethical requirements and plan and make our review with a view to obtain reasonable assurance that the accounting reports are free of significant misrepresentations.

Scope of revision

We performed our revision in accordance with the Auditing Standards adopted by the chamber of Financial Auditors of Romania and more precisely with the International Standard for the Revision Tasks "Review of the interim individual financial statements made by an independent auditor of the entity". The revision of the interim financial information consists of performing interview and investigation activities in special with the personnel of the company in charge with the financial and accounting activities and apply the analytical procedures, as well as other revision procedures. The scope of application of a revision is substantially more reduced compared to an audit made in accordance with the International Auditing Standards, as adopted by the Chamber of Financial Auditors of Romania, and therefore we cannot obtain the assurance that we will be aware of all the significant aspects which may be identified during an auditing process. So, we do not express an audit opinion.

Conclusion

Based on the revision made, nothing draw up our attention meaning to make us believe that the interim half year individual financial reporting as made for 30 June 2017, attached herewith, identified with the following elements

- company capitals 225.481.238 lei;
- total revenues184.972.505 lei;
- net result of the reporting period 25.212.551 lei

do not provide a fair and faithful image of the financial position of the entity for the date of 30.06.2017, of its financial performance and treasury cash flows for the six months period ended on the respective date, in accordance with the general accounting reporting frame applicable in 30 June 2017, i.e.

Order of Public Finance Minister no 857/2017 for the approval of the accounting reporting system for 30 June 2017 for the economic operators, as well as for setting certain accounting aspects, with the Order of Public Finance Minister no 2844/2016 for the approval of the accounting regulations compliant with the International Financial Reporting Standards applicable to the companies whose securities are admitted to trading on a regular market, and IAs 34 "Interim Financial Reporting".

Other aspects

This report is addressed exclusively to the company's shareholders as a whole. Our revision was performed in order to be able to report to the company's shareholders those aspects which must be reported in a revision report, and in no other purpose. To the extent permitted by law, we do not accept and do not assume responsibility for our revision, for this report or for conclusions made except solely towards the company and its shareholders as a whole.

The individual half year accounting reports attached are not meant to present the financial position, the result of the operations and a set of annual explanatory notes in accordance with the regulations and accounting principles accepted in countries and jurisdictions other than Romania. Therefore, the individual half year accounting reports are not prepared for the use of the persons who do not know the accounting and legal regulations of Romania inclusively the general accounting reporting frame applicable for 30 June 2017, as well as the MFP Order no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, applicable in companies whose shares are admitted for trading on a regular market,

Report on the conformance of the Report of the Board of Directors with the interim individual financial statements on 30.06.2017

In accordance with the requirements of the Financial Supervisory Authority („ASF”) we read the Report of the Board of Directors. This is attached to the interim individual financial statements. Our opinion on the interim individual financial statements does not cover the Report of the Board of Directors.

With reference to our audit regarding the interim individual financial statements we read the attached Report of the Board of Directors and we found out as follows:

- a) we did not identify information in the Report of the Board of Directors which is not consistent, in all the significant aspects, with the information presented in the attached interim individual financial statements
- b) the Report of the Board of Directors above includes, in all significant aspects, the information required by the legal accounting regulations regarding the interim individual financial statements;
- c) based on our knowledge and understanding, as obtained during the auditing of the individual annual financial statements, for the period 01.01.2017 – 30.06.2017,

with reference to S.C. AEROSTAR S.A., and to its environment, we did not identify misleading information to be included in the Report of the Board of Directors.

09 August 2017

BACAU

Monica Husanu

Financial auditor chartered with the Romanian Chamber of Financial Auditors under no. 2401/2008

On behalf of

S.C. H.M. AUDIT CONTAB S.R.L.

Authorization CAFR 1019/2010