



KPMG Audit SRL
Victoria Business Park
DN1, Soseaua Bucuresti-Ploiesti nr. 69-71
Sector 1

Tel: +40 (21) 201 22 22
+40 (741) 800 800
Fax: +40 (21) 201 22 11
+40 (741) 800 700
www.kpmg.ro

P.O. Box 18-191
Bucharest 013685
Romania

Independent Auditors' Report on Review of Interim Financial Statements (free translation¹)

To the shareholders of
S.C. Oltchim S.A.

Introduction

- 1 We have reviewed the accompanying interim financial statements of S.C. Oltchim S.A. ("the Company"), which were prepared in conformity with the Order of the Minister of Economy and Finance no. 2123/2009 "for approval of the accounting reporting system as at 30 June 2009" and in conformity with the accounting principles and measurement and recognition criteria stated by the Order of Minister of Public Finance no. 1752/2005 and related amendments. Management is responsible for the preparation and fair presentation of these interim financial statements. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

- 2 We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

- 3 Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements have not been prepared in conformity with the Order of the Minister of Economy and Finance no. 2123/2009 "for approval of the accounting reporting system as at 30 June 2009" and the accounting principles and measurement and recognition criteria stated by the Order of Minister of Public Finance no. 1752/2005 and related amendments.

Emphasis of Matter

- 4 Without qualifying our conclusion, we draw attention to the fact that the Company has recorded a net loss of lei 116,025,244 for the six months ended 30 June 2009 and as of that date the Company had accumulated losses amounting to lei 859,701,204 (coming from 2001-2003 and 2007-2008) and its current liabilities exceeded its current assets by lei 654,107,607. These conditions indicate the existence of an uncertainty which may cast doubt on the Company's ability to continue as a going concern, if the shareholders will not support the Company to improve its financial position.

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.

Other matters

- 5 This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review 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 review work, for this report or for the conclusion we have formed.
- 6 The accompanying interim financial statements are not intended to present the financial position, results of operations and a complete set of notes to the financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying interim financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including the Order of the Minister of Economy and Finance no. 2123/2009 "for approval of the accounting reporting system as at 30 June 2009" and the accounting principles and measurement and recognition criteria stated by the Order of Minister of Public Finance no. 1752/2005 and related amendments.

**Refer to the original
signed Romanian**



For and on behalf of KPMG Audit SRL:

Andreea Elena Manole

KPMG AUDIT SRL

registered with the Chamber of Financial
Auditors of Romania under no 1501

registered with the Chamber of Financial
Auditors of Romania under no 9/2001

Bucharest, 10 August 2009