

To the shareholders of
STARA PLANINA HOLD PLC

INDEPENDENT AUDITOR'S REPORT

Report on the consolidated financial statement

We audited the attached consolidated financial statement of STARA PLANINA HOLD PLC which includes statement of financial position sheet as of 31 December 2015, statement of comprehensive income, statement of changes in equity, annual cash flow statement as of the end of the respective year and a summarized disclosure of the material accounting policies and other explanatory appendices.

Responsibility of the management for the consolidated financial statement

The responsibility for the preparation and accurate representation of this financial statement in accordance with the *International Financial Reporting Standards*, adopted to implement from EU is borne by the management of the enterprise. This responsibility includes: development, implementation and maintenance of system for internal control related to the preparation and accurate representation of financial statements in order for the said not to contain material inaccuracies, deviations and inconsistencies, irrespective of whether they are due to fraud or error; selection and application of appropriate accounting policies; and preparation of accounting estimates which to be reasonable in the specific circumstances.

Responsibility of the auditor

Our responsibility is to express audit opinion on this financial statement based on the audit carried out by us. Our audit was performed in compliance with the professional requirements of the International Standards on Auditing including ESMA Public Statement of 2015. These standards mandate the observance of the ethical requirements and that the audit should be planned and carried out in such a way that we should be convinced to a reasonable degree of certainty as to what extent the **consolidated** financial statement does not contain material inaccuracies, deviations and inconsistencies.

The audit includes the performance of procedures aiming to obtain audit evidence with regard to the amounts and disclosures presented in the consolidated financial statement. The procedures selected depend on the judgment of the auditor, including the assessment of risk for material inaccuracies, deviations and inconsistencies in the **consolidated** financial statement, irrespective of whether they are due to fraud or error. When performing such risk assessments, the auditor takes into account the system for internal control related to the preparation and accurate representation of the **consolidated** financial statement on the part of the enterprise in order to develop auditing procedures which are adequate to the given circumstances but not in order to express opinion with regard to the efficiency of the system for internal control of the enterprise. The audit also includes assessment of the appropriateness of the applied accounting policies and the reasonability of the accounting estimates provided by the management as well as assessment of the overall representation of the **consolidated** financial statement.

We do reckon that the audit carried out by us provides sufficient and reasonable grounds for the audit opinion expressed by us.

Audit opinion

On the grounds of the aforementioned, we hereby certify that the consolidated financial statement represents truthfully and in all material aspects the financial standing of the enterprise as of 31 December 2015 as well as the financial results from its activity and the cash flows for the year, ending as of the specified date, and is in compliance with the *International Financial Reporting Standards*, adopted to implement from EU.

Report on other legal and regulatory requirements

According to the Accountancy Act, we familiarized ourselves with the content of the attached consolidated activity report for 2015. On the grounds of the aforesaid, we hereby certify that the activity report presented by the management is consistent with the consolidated financial statement.

City of Sofia, 27.04.2016

Registered auditor, certificate No 0003:



/Prof. Mihail Dinev/