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**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2014 TO 30 JUNE 2014**

To the Shareholders of Cognor S.A.

Introduction

We have reviewed the accompanying 30 June 2014 condensed consolidated interim financial statements of Cognor S.A. Group, with its parent company's registered office in Poraj, 26 Zielona Str. ("the condensed consolidated interim financial statements"), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2014,
- the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2014,
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2014,
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2014, and
- notes to the interim financial statements.

Management of the parent company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors and 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 national standards on auditing and 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.

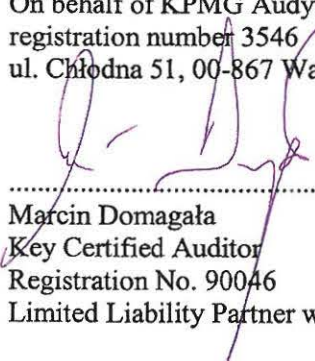
Conclusion

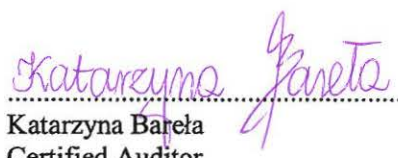
Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2014 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to the information disclosed in note 16 to the condensed consolidated interim financial statements relating to non-fulfilment, at the date of this report, by the Government of the Republic of Croatia, the conditions for termination of the contract for the sale of shares in Zeljezara Split (Republic of Croatia) which were agreed in 2009 between the Government of the Republic of Croatia and Złomrex S.A. and to uncertainty with respect to the valuation of the receivable recognised in the condensed consolidated interim financial statements as at 30 June 2014 in relation to this agreement. The ultimate outcome of the dispute with the Government of the Republic of Croatia, discussed in note 16 to the condensed consolidated interim financial statements, may significantly impact the estimates relating to recoverability of the recognized receivable and consequently, may lead to significant changes to the Group's financial position and result.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
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29 August 2014