S.C. T.T.S. (Transport Trade Services) S.A.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED AS AT DECEMBER 31, 2014

PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY EU

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To the Shareholders of the,
SC TTS (Transport Trade Services) S.A.
Bucharest, Romania

INDEPENDENT AUDITOR'S REPORT

1. We have audited the accompanying unconsolidated financial statements of SC TTS (Transport Trade Services) SA („the Company"), which comprise the unconsolidated statement of financial position as at December 31, 2014, and the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Unconsolidated Financial Statements

2. Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with International Financial Reporting Standards as adopted by EU, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these unconsolidated 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 unconsolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Opinion

6. In our opinion, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2014, and of its unconsolidated financial performance and its unconsolidtaed cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Limitation on Use

7. This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's 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 audit work, for this report, or for the opinion we have formed.

Deloitte Audit SRL

Deloitte Audit S.R.L.
Bucharest, Romania
April 4, 2015

	Note	Year end December 31, 2014	Year end December 31, 2013
Income	4	284,599,408	340,154,910
Cost of sales	5	(242,801,698)	(291,431,544)
Gross profit		**41,797,710**	**48,723,366**
Administrative expenses	6	(18,863,599)	(18,624,096)
Other earnings and losses	7	1,354,411	(2,619,678)
Distribution costs		(3,984)	(4,292)
Finance income	8	1,212,590	1,209,699
Financial costs	9	(979,088)	(1,268,705)
Profit before tax		**24,518,040**	**27,416,294**
Income tax expense	10	(3,894,523)	(4,774,433)
Profit / (Loss) for the year		**20,623,517**	**22,641,861**
Other comprehensive income, net of tax			
Deferred income pertaining to comprehensive income	10	-	-
Comprehensive income for the year		**20,623,517**	**22,641,861**

The financial statements were approved by the Board of Directors and authorized to be issued on April 4 2015, by:

Stanciu Ion,
CEO

Stefanut Petru,
CFO

S.C.T.T.S. (Transport Trade Services) S.A.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014
(all amounts are expressed in "RON", unless specified otherwise)

ASSETS	Note	Year end December 31, 2014	Year end December 31, 2013
Long term assets			
Property, plant and equipment	11	70,023,725	57,318,968
Intangible assets	12	2,167,402	1,859,705
Investments in associates	13	106,257,787	106,060,279
Other long term assets	14	60,125	130,818
Total long term assets		**178,509,039**	**165,369,770**
Current assets			
Inventories	15	518,194	775,950
Trade receivables and other receivables	16	36,649,054	63,006,609
Loans to associates		25,762,222	6,531,789
Other current assets	17	6,258,887	4,748,999
Cash and cash equivalents	26	26,215,861	39,660,920
Total current assets		**95,404,218**	**114,724,267**
Available-for-sale assets		-	-
Total assets		**273,913,257**	**280,094,037**
EQUITY AND LIABILITIES			
Equity and reserves			
Capital issued	18	35,072,442	35,072,442
Share premiums	18	46,417,946	46,417,946
Reserves	19	9,510,601	9,424,240
Retained earnings		130,768,335	117,724,206
Total equity		**221,769,324**	**208,638,834**
Long term liabilities			
Borrowings	29	10,624,655	16,355,716
Deferred tax liabilities	10	683,647	695,607
Other long term liabilities		1,208,697	947,483
Total long term liabilities		**12,516,999**	**17,998,806**
Current liabilities			
Trade payables and other liabilities	22	32,376,052	42,190,003
Current part of long term liabilities	20	5,602,625	7,336,492
Other current liabilities	23	1,648,256	3,929,902
Total current liabilities		**39,626,933**	**53,456,397**
Total liabilities		**52,143,932**	**71,455,203**
Total equity and liabilities		**273,913,256**	**280,094,037**

The financial statements were approved by the Board of Directors and authorized to be issued on April 4, 2015, by:

Stanciu Ion,
CEO

Stefanut Petru,
CFO

Notes attached are an integral part of these financial statements.

S.C.T.T.S. (Transport Trade Services) S.A.
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in "RON", unless specified otherwise)

	Note	Year end December 31, 2014	Year end December 31, 2013
Cash flows from operations		*RON*	*RON*
Gross profit / (loss) for the year		**24,518,040**	**27,416,294**
Adjustments for:			
Impairment and depreciation and amortization		6,570,264	6,256,867
Net interest expenses		(304,924)	(196,683)
(Profit) / Loss from sales of fixed assets		(76,735)	(9,078)
Net increase / (decrease) in provision for clients		(1,900,845)	919,115
Net increase / (decrease) in provision for investments in associates		597,368	1,654,688
Deferred tax income		-	-
Cash generated from / used in operations before changes to current capital		**29,403,168**	**36,041,202**
(Increases) / Decreases in balances of trade receivables and other receivables		21,492,703	(27,346,648)
(Increases) / Decreases in inventories of materials		257,756	(255,760)
Increases / (Decreases) in balances of suppliers		(9,653,953)	16,240,374
Cash from operations		**41,499,673**	**24,679,168**
Interests paid		(500,081)	(347,079)
Income tax paid		(1,021,625)	(2,624,510)
Net cash from operations		**39,977,968**	**21,707,579**
Cash flow from investments			
Purchases of tangible and intangible assets		(21,635,978)	(15,727,735)
Payments for investments		(794,876)	(14,327,079)
Income from sales of fixed assets		2,129,995	6,529,403
Loans granted		(19,230,433)	(4,550,837)
Interest income		1,212,590	1,209,699
Cash flow used in investments		**(38,318,702)**	**(26,866,549)**
Net cash used in investments			
Proceeds from share capital increase		-	-
Dividends paid		(7,493,026)	(4,655,705)
Payments of loans		(7,611,299)	(3,256,540)
Proceeds from share premiums issued		-	
Net cash from financing activities		**(15,104,325)**	**(7,912,245)**
Net increase / decrease in cash and cash equivalents		**(13,445,059)**	**(13,071,215)**
Cash at the beginning of the year		**39,660,920**	**52,732,135**
Cash at the end of the year		**26,215,861**	**39,660,920**

The financial statements were approved by the Board of Directors and authorized to be issued on April 4, 2015, by:

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CEO

Stefanut Petru,
CFO

Notes attached are an integral part of these financial statements.

S.C. T.T.S. (Transport Trade Services) S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in "RON", unless otherwise specified)

	Share capital	Share premiums	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Total
Balance as at January 1, 2013	**35,072,442**	**46,417,946**	**6,666,570**	**2,757,670**	**-**	**99,738,050**	**190,652,678**
Profit / (Loss) for the year	-	-	-	-	-	22,641,861	22,641,861
Revaluation reserves	-	-	-	-	-	-	-
Revaluation reserves pertaining to the transition to IFRS 1	-	-	-	-	-	-	-
Setting up of legal reserves	-	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-	-
Share premiums issued	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(4,655,705)	(4,655,705)
Result pertaining to the transition to IFRS1 for the year, net of taxes	-	-	-	-	-	-	-
Deferred taxes pertaining to the revaluation reserve	-	-	-	-	-	-	-
Balance as at December 31, 2013	**35,072,442**	**46,417,946**	**6,666,570**	**2,757,670**	**-**	**117,724,206**	**208,638,834**

As of May 16, 2013, the shareholders of the Company approved the allocation of RON 4,655,705 from the FY 2012 profit to dividends distribution.

The financial statements were approved by the Board of Directors and authorized to be issued on April 4, 2015, by:

Stanciu Ion,
CEO

Stefanut Petru,
CFO

Notes attached are an integral part of these financial statements.

S.C. T.T.S. (Transport Trade Services) S.A.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
(all amounts are expressed in "RON", unless otherwise specified)

	Share capital	Share premiums	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Total
Balance as at January 1, 2014	**35,072,442**	**46,417,946**	**6,666,570**	**2,757,670**	**-**	**117,724,206**	**208,638,834**
Profit / (Loss) for the year	-	-	-	-	-	20,623,517	20,623,517
Revaluation reserves	-	-	-	-	-	-	-
Revaluation reserves pertaining to the transition to IFRS 1	-	-	-	-	-	-	-
Setting up of legal reserves	-	-	86,361	-	-	(86,361)	-
Share capital issued	-	-	-	-	-	-	-
Share premiums issued	-	-	-	-	-	-	-
Dividends paid						(7,493,026)	(7,493,026)
Result pertaining to the transition to IFRS1 for the year, net of taxes	-	-	-	-	-	-	-
Deferred taxes pertaining to the revaluation reserve	-	-	-	-	-	-	-
Balance as at December 31, 2014	**35,072,442**	**46,417,946**	**6,752,931**	**2,757,670**	**-**	**130,768,336**	**221,769,324**

According to shareholder decision dated April 14, 2014, the shareholders of the Company approved the distribution of RON 7,493,026 as dividends.

The financial statements were approved by the Board of Directors and authorized to be issued on April 4, 2015, by:

Stanciu Ion,
CEO

Stefanut Petru,
CFO

1. GENERAL INFORMATION

S.C. T.T.S.(Transport Trade Services) S.A. (hereinafter referred to as 'the Company'), is a company incorporated in Romania, in 1997 having its registered office at no 34, Vaselor Street, Bucharest. The core business of the Company is represented by activities related to transports. S.C. T.T.S.(Transport Trade Services) S.A. operates as sender of goods in domestic and international transport, on interior river ways, offering integrated/modular transport services.

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY EU

Standards and interpretations in effect for the current period

Standards and interpretations in effect for the current period

The following amendments to the existent standards issued by the International Accounting Standards Board and adopted by the EU are in effect for the current period:

- **IFRS 10 "Consolidated Financial Statements"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IFRS 11 "Joint Arrangements"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IFRS 12 "Disclosures of Interests in Other Entities"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IAS 27 (revised in 2011) "Separate Financial Statements"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures"**, adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities"** – Transition Guidance, adopted by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 (revised in 2011) "Separate Financial Statements"** – Investment Entities, adopted by the EU on 20 November 2013 (effective for annual periods beginning on or after 1 January 2014),
- **Amendments to IAS 32 "Financial instruments: presentation"** – Offsetting Financial Assets and Financial Liabilities, adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014),

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Standards and interpretations in effect for the current period (continued)

- **Amendments to IAS 36 "Impairment of assets"** - Recoverable Amount Disclosures for Non-Financial Assets, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014),

- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"** – Novation of Derivatives and Continuation of Hedge Accounting, adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).

The adoption of these amendments to the existing standards has not led to any changes in the Entity's accounting policies.

Standards and Interpretations issued by IASB and adopted by the EU but not yet effective:

At the date of authorisation of these financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective:

- **Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)"** resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (amendments are to be applied for annual periods beginning on or after 1 February 2015),

- **Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 18 December 2014 (amendments are to be applied for annual periods beginning on or after 1 January 2015),

- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),

- **IFRIC 21 "Levies"** adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

Standards and interpretations issued by IASB, but not yet adopted:

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following standards, amendments to the existing standards and interpretations, which were not endorsed for use in EU as at date of financial statements (the effective dates stated below is for IFRS in full):

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2018),

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016),

- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2017),

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016),

2. APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Standards and interpretations issued by IASB, but not yet adopted: (continued)

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures"** - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IFRS 11 "Joint Arrangements"** – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 1 "Presentation of Financial Statements"** - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to IAS 27 "Separate Financial Statements"** - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016),

- **Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)"** resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2016).

The Entity anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Entity in the period of initial application.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities, whose principles have not been adopted by the EU, is still unregulated.

According to the entity's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement", would not significantly impact the financial statements, if applied as at the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU,

Basis of preparation

The financial statements have been prepared at historic cost, except for certain financial instruments that are stated at restated value or fair value as described in the accounting policies. The historic cost is generally based on the fair value of the provision supplied in exchange of the assets.

The financial statements have been prepared on a going concern basis, according to the historic cost convention adjusted for the effects of hyperinflation by December 31, 2003 for the share capital and reserves. The financial statements are prepared on the basis of the statutory accounting records in accordance with the Romanian accounting principles, adjusted for compliance with IFRS as adopted by EU.

The main accounting policies are presented below.

Revenues recognition

Income is measured at the fair value of the amounts received or to be received. Revenues is reduced by estimated customers returns, commercial rebates and other similar allowances.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Sale of goods

Revenue from sales of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are met:

- The entity has transferred to the buyer all the significant risks and rewards of ownership over the goods;
- The entity does not hold any managerial involvement associated to ownership or effective control over the goods sold;
- The amount of revenue can be measured in a reliable manner;
- It is probably that the economic benefits will flow directed to the Entity, and
- The costs incurred or to be incurred in respect to the transaction can be measured in a reliable manner.

Specifically, the revenue from sales of goods is recognized when the goods are delivered and the ownership right is transferred.

The revenue from a provide services contract is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- The installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- The servicing fees included in the price of the products sold are recognized by reference to the proportion of the cost of providing the servicing for the product sold; and
- The revenue from time and material contracts is recognized at the contractual rates as labour hours and direct expenses are incurred.

Interest income

The interest income is recorded on a time basis, by reference to the principal due and the applicable effective interest rate, which is the exact rate of discount of the future cash inflows estimated throughout the lifetime of the financial asset, up to the net book value of the respective asset.

Leases

Leases are classified as financial leases when the terms of the lease substantially transfer all the risks and benefits pertaining to ownership to the lessee. All the other leases are classified as operational leases.

The assets held under financial lease are recognized initially as assets of the Entity at the fair value as of the inception phase of the lease, or, if lower, at the current value of the minimum lease payments. The corresponding lease liability to the lessor is included in the balance sheet as financial lease liability.

Lease payments are split between financial costs and the deduction of the lease obligation, so that to obtain a constant interest rate pertaining to the remaining balance of the liability. The financing costs are recorded directly in the income statement.

The operational lease payments are recognized as expense on a straight line basis, The potential operational leases are recognized as expense as they occur.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

FX transactions

The Company operates in Romania and its functional currency is RON.

Transactions in foreign currencies are translated to the respective currency of entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Costs related to long term borrowings

The costs related to the long term loans directly attributable to the acquisition, construction or production of assets, which are assets that necessarly take a substantial period of time in order to be used or for sale are added to the cost of those assets, until such time as the respective assets are ready to be used for their purpose or for sale. The income from the temporary investment of specific borrowings until such time as the borrowings are expensed on assets is deducted from the costs pertaining to the long term borrowings eligible for capitalization.

All the other borrowing costs are recognized in the income statement in the period in which they are incurred.

Contribution for employees

The company in the normal course of business, makes payments to the Romanian State for social security , unemployment benefit fund and health care fund according to the levels established under the law and in effect during the year, calculated on the gross salaries on behalf of its employees. The value of these contributions is recorded in the income statement as the related salary expenses.

The Company pays its employees retirement benefits, as defined in the collective employment contract.

Taxation

The income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on the taxable profit of the year. Taxable profit differs from the 'profit before tax' as reported in the consolidated statement of profit and loss, as it excludes the elements of income and expenses that are taxable or deductible in other years and items that are never taxable or deductible.The Company's liability for current tax is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding taxation bases used in the calculation of the taxable profit. The deferred tax liabilities are generally recognized for all the temporary taxation differences, to the extent where it is probable that taxable profit should exist on which those temporary differences can be used. Such assets and liabilities are not recognized if the temporary difference comes from goodwill or from the initial recognition (other than from a business combination) of other assets and liabilities in a transaction that affect neither the taxable profit, nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax (continued)

Deferred tax liabilities are recognized for the temporary taxable differences associated with the investments in subsidiaries and associates and the interests in joint ventures. The deferred tax asset from the temporary deductible differences associated with such investments and interests is recognized only to the extent where it is likely to exist sufficient taxable income on which the benefits pertaining to the temporary differences can be used and it is estimated that they will be reversed in the near future.

The book value of the deferred tax assets is revised as at each balance sheet date and is reduced to the extent where it is no longer likely that taxable income should exist to allow the full or partial recovery of the asset.

Deferred tax assets and liabilities are measured at the taxation rate estimated to be applied in the period when the liability is settled or the asset is realized, based on the taxation rates (and tax laws) in effect or substantially in effect by the balance sheet date. The measurement of the assets and liabilities by the deferred tax reflects the fiscal consequences of the way in which the Company estimates, as at the reporting date, that it will recover or settle the book value of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a an applicable right to offset them in a similar way to the current assets and liabilities which are offset with the current tax and when they regard the income taxes levied by the same tax authority and the Company intends to offset its deferred tax assets with its deferred tax liabilities on a net basis.

Current tax and deferred tax

Current and deferred tax are recognized in profit and loss, except when they relate to items that are recognized in other comprehensive income, or directly in equity in which case, the current and deferred tax are also recognized in orther comprehensive income or directly in equity respectively.

The income tax for the period ending December 31, 2014 was 16% (December 31, 2013: 16%).

Property, plant and equipment

Land and buildings held to be used in the production or supply of goods or services or for administrative purposes are recorded in the balance sheet at their historic values adjusted by the effect of the hyperinflation by December 31, 2003, in accordance with IAS 29 *Financial reporting in hyperinflationary economies reduced by the subsequently cumulated depreciation and other impairments*.

The incomes or loss resulted from the sale or decommissioning of an asset is determined as a difference between the income made from the sale of the assets and their net book value. The incomes or losses are recognized in the Income statement.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease previously recognized in the profit and loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

The depreciation of the buildings is recorded in the statement of comprehensive income.

Properties in the course of construction for production, rental, and administrative purposes or for purposes not yet determined are recorded at historic cost. The depreciation of these assets, on the same basis as other tangible assets, commences when the assets are ready to be used.

Depreciation of these assets is recorded such as to diminish cost, other than cost of land and properties under construction, throughout their estimated lifetime, on a straight line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

The estimated useful service lives, residual values and the depreciation method are revised at each year end, resulting in changes to the future accounting estimates.

The assets held under financial leases are depreciated throughout the useful service life, similarly with the assets held with full title.

The Company has applied one of the exemptions included in IFRS 1 which relieves first time adopters from the requirements to recreate cost information for the property, plant and equipment – *"IFRS1 - D8 allows event - driven fair value to be taken as the deemed cost as the date of that measurement"* In more detail the point refers allows a first time adopter to use and event driven fair value as deemed cost at the measurement date, for measurements events that occurred after the date of transition to IFRS and to specify accounting in such circumstances.

The measurement date was after the date of transition to IFRs, respective December 31, 2012, when a fair value exercise was considered for all fixed assets which has became the deemed cost.

The loss or earning from the sale or decommissioning of a tangible asset are calculated as difference between the income from sales and the net book value of the asset and are recognized in the income statement.

Buildings and special constructions	8 - 60 years
Technical installations and equipment	3 - 30 years
Vehicles	4 - 6 years

Intangible assets

Intangible assets purchased separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated depreciation amortization and accumulated impairment losses. Amortization is calculated on a straight line basis throughout the useful life. The estimated useful life and the amortization method are revised at the end of each reporting period, effecting changes in the future accounting estimates.

The following useful lives are used in the calculation of amortization:

Licenses	1 - 5 years

Impairment of tangible and intangible assets

At the end of each reporting period, the Entity reviewes the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment losses. If any such indication exists, the recoverable amount of the asset is estimated to determine the size of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of an individual asset of the cash generating unit into which the asset belongs. Where there can be identified a consistent allocation basis, the Group's assets are also allocated to individual cash generating units or to the smallest group of cash generating units for which a consistent allocation basis can be identified.

Intangible assets with an indefinite useful life and the intangible assets that are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less the costs of sale and the value-in-use. In assessing the value-in-use, the estimated future cash flows are discounted at the current value using a discount rate before taxes, which reflects the current market estimates of the time-value of money and the risks specific to the asset, for which the future cash flows have not been adjusted.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets (continued)

If the recoverable value of an asset is estimated as being lower than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable value. An impairment loss is immediately recognized in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss is subsequently reversed, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable value, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the respective asset (cash generating unit) in the prior years. A reversal of the impairment loss is immediately recognized in profit or loss, unless the relevant asset is carried at a revalued amount, in which casethe reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including a part corresponding to the fixed and variable expenses are allocated to the inventories held through the method that is most adequate to the respective class of inventories, respective weighted average basis for fuel and FIFO for the other classes of inventories. Net realizable value represents the sale price estimated for inventories less all the costs estimated for completion and the costs pertaining to the sale.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and when a reliable estimate can be made of the respective obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the estimated cash flows estimated to settle the present obligation, its carrying amount is the presentvalue of those cash flows.

<u>Warranties</u>

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at the director's best estimate requiredto settle Company's obligation.

Financial assets and liabilities

Company's financial assets include investments, cash and cash equivalents, trade receivables. Financial liabilities include financial lease obligations, interest bearing bank borrowings and other liabilities. For each element, the accounting policies regarding the recognition and measurement are disclosed in this note. Management considers that the estimated fair values of these instruments approximate their book values.

Borrowings are initially recognized at fair value, less the costs incurred with the respective operation. Subsequently, these are recorded at amortized costs. Any difference between the addition value and the repayment value is recognized in the profit and loss account during the term of the borrowing, using the effective interest rate.

The classification of the investments depends on the nature and purpose of the same and is determined as at the date of the initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss account are assessed for indicators of impairment at the end of each reporting period.

Financial assets are considered to be impaired when there is objective evidence that one or several events occurred after the initial recognition have had an impact on the future cash flow pertaining to the investment.

Certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they are assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the past experience of the Group in respect of the collection of payments, an increase of the payments delayed beyond the credit term, as well as visible changes in the national and local economic conditions that are correlated with the payment incidents regarding the receivables.

The carrying amount of the financial asset is reduced by the impairment loss, directly for all the financial assets, except for the trade receivables, a case where the carrying amount is reduced by using a provision account. If a receivable is considered not recoverable, it is written off and deducted from the provision. Subsequent recoveries of the amounts previously written off are credited to the provision account. The changes in the carrying amount of the provision account are recognized in the profit or loss.

Derecognition of the assets and liabilities

The Company derecognizes the financial assets only when the contractual rights on the cash flows expire, or transfer the financial asset and, substantially, all the risks and rewards pertaining to the asset to another entity.

The Company derecognizes the financial liabilities if and only if all its obligations have been paid, cancelled or have expired.

Use of estimates

The preparation of the financial statements requires making estimates and assumptions by the management, which affect the reported amounts of the contingent assets and liabilities as at the balance sheet date, as well as the reported amounts of the income and expenses during the reporting period. Actual results may differ from those estimates. The estimates and assumptions on which the financial statements are based are revised on an ongoing basis. The reviews of the accounting estimates are recognized in the period when the estimate is revised, if such review affects only the respective period, or in the future periods, if the review affects both the current and the future periods.

Comparatives

Certain amounts in the statement of the financial position, statement of the comprehensive result, cash flow statement and statement of changes in shareholders' equity for the prior year have been reclassified to be put in line with the current year presentation.

4. INCOME

An analysis of the Company's income for the financial year is given below:

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Income from sales of goods	7,968,278	6,826,942
Income from services provided	270,477,880	326,984,391
Income from other activities	6,153,250	6,343,577
Total	**284,599,408**	**340,154,910**

The income from services provided is represented mainly by fluvial transportation services provided to several third party customers on the Danube river together with CNFR Navrom Galati and NFR Drobeta but also handling operations and cargo storage. This is the core business of the Company and represents around 90% from the total income for the years ended. As at December 31, 2014 and December 31, 2013, the segment information was not presented since the rest of the business generating revenues for the Group is not significant for the financial statements.

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Sales to the domestic market (Romania)	158.498.302	114,917,152
Sales to foreign markets	126.101.106	225,237,758
Total	**284.599.408**	**340,154,910**

5. COST OF SALES

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Subcontractors	234,673,282	284,288,176
Consumables	306,583	335,047
Cost of goods sold	7,821,833	6,808,321
Packaging consumed	-	-
Total	**242,801,698**	**291,431,544**

6. ADMINISTRATIVE EXPENSES

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Utilities	197,143	181,366
Repairs costs	923,276	2,230,178
Rent expenses	249,064	263,527
Insurance premiums	646,461	650,501
Studies and research	-	-
Remuneration of the personnel	6,793,901	6,746,761
Fees and commissions	349,603	288,026
Protocol, advertising and publicity costs	872,853	1,103,791
Travels, assignments and transfers	163,499	120,462
Post and telecommunications	204,616	237,446
Taxes and similar payments	188,222	185,824
Other administrative expenses	1,704,698	359,347
Amortization, depreciation and impairment costs	6,570,264	6,256,867
Total	**18,863,599**	**18,624,096**

7. OTHER EARNINGS AND LOSSES

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Income from financial investments	368	-
Expenses from financial investments transferred	(419)	-
Income from financial assets	176,942	132,635
Other financial income	191,140	24
Other financial expenses	(81,600)	(590,539)
Income / (Expense) from financial investments	**286,431**	**(457,880)**
Other income	1,467,244	294,515
Revenue / (Expense) net from sales of fixed assets	(599,183)	9,078
Net income/ (Expenses) from FX differences	42,934	108,412
Net income / (Expense) from adjustments for current assets	1,731,011	(919,115)
Revenue / (Expense) net from adjustments of investment values	(597,368)	(1,654,688)
Charging doubtful receivables against income	(976,659)	-
Total	**1,354,411**	**(2,619,678)**

8. FINANCE INCOME

An analysis of the Company's income for the financial year is presented below:

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Interest income	1,212,589	1,209,699
Total	**1,212,590**	**1,209,699**

9. FINANCE COSTS

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Bank fees and commissions	71,423	136,660
Interests on borrowings	907,666	1,132,045
Total	**979,089**	**1,268,705**

10. INCOME TAX

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Current tax		
Current tax expense	3,906,484	4,760,202
Deferred tax		
Expenses / (Income) with deferred tax recognized in the current year	(11,961)	14,231
Total	**3,894,523**	**4,774,433**

The taxation rate applied for the reconciliation above for the years 2014 and 2013 is 16%.

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Profit before tax	**24,518,040**	**27,416,294**
Income tax calculated at 16% (2012: 16%)	3,922,886	4,386,607
Non-taxable expenses	3,510,479	3,826,483
Income elements that are exempt from taxation	(2,752,034)	(287,440)
Other elements of income that are exempt from taxation	363,415	576,994
Fiscal credit	(195,900)	(284,971)
Current tax in respect with the current year before fiscal losses	**3,906,484**	**4,760,202**
Fiscal losses carried forward	-	-
Current tax in respect with the current year	**3,906,484**	**4,760,202**
Reevaluation reserve impact	(58,147)	(92,319)
Present value of the loan received from IFC and concession granted;	46,186	106,550
Income tax expenses recognised in the profit and loss accounts and the other comprehensive income	**3,894,523**	**4,774,433**

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Fixtures and furniture	Tangible assets in progress	Total
	RON	*RON*	*RON*	*RON*	*RON*	*RON*
COST						
Balance as at January 1, 2014	**7,754,640**	**10,360,283**	**32,927,954**	**766,165**	**11,640,795**	**63,449,837**
Increases	2,332,844	429,338	1,922,947	9,382	19,222,630	23,917,142
Transfers	-	418,750	1,504,666	-	-	1,923,416
Disposals	-	-	(124,752)	(4,305)	(4,795,644)	(4,924,700)
Transfers	-	-	-	-	(1,923,416)	(1,923,416)
Fair value – adjustments	-	-	-	-	-	-
Balance as at December 31, 2014	**10,087,484**	**10,789,622**	**34,726,149**	**771,243**	**26,067,782**	**82,442,279**
ACUMULATED DEPRECIATIONS						
Balance as at January 1, 2014	-	**378,618**	**5,605,612**	**146,638**	-	**6,130,869**
Depreciation expense	-	374,989	5,907,277	134,475	-	6,416,741
Disposals	-	-	(124,752)	(4,305)	-	(129,056)
Balance as at December 31, 2014	-	**753,608**	**11,388,138**	**276,809**	-	**12,418,554**
NET BOOK VALUE						
As at December 31, 2013	**7,754,640**	**9,981,665**	**27,322,342**	**619,527**	**11,640,795**	**57,318,968**
As at December 31, 2014	**10,087,484**	**10,036,014**	**23,338,011**	**494,434**	**26,067,782**	**70,023,724**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Buildings	Plant and equipment	Fixtures and furniture	Tangible assets in progress	Total
	RON	*RON*	*RON*	*RON*	*RON*	*RON*
COST						
Balance as at January 1, 2013	**7,754,640**	**9,408,198**	**32,508,163**	**742,990**	**4,235,980**	**54,649,971**
Increases	-	952,085	7,245,080	23,175	9,201,214	17,421,554
Transfers	-	947,455	6,639,117	21,079	822,798	8,430,448
Disposals	-	-	(6,825,289)	-	(1,796,399)	(8,621,688)
Fair value – adjustments	-	-	(6,758,983)	-	(1,671,465)	(8,430,448)
Balance as at December 31, 2013	**7,754,640**	**10,360,283**	**32,927,954**	**766,165**	**11,640,795**	**63,449,837**
ACUMULATED DEPRECIATIONS						
Balance as at January 1, 2013	-	-	-	-	-	-
Depreciation expense	-	378,618	5,666,349	146,638	-	6,191,606
Disposals	-	-	(60,737)	-	-	(60,737)
Balance as at December 31, 2013	-	**378,618**	**5,605,612**	**146,638**	-	**6,130,869**
NET BOOK VALUE						
As at December 31, 2012	**7,754,640**	**9,408,198**	**32,508,164**	**742,990**	**4,235,980**	**54,649,971**
As at December 31, 2013	**7,754,640**	**9,981,665**	**27,322,342**	**619,527**	**11,640,795**	**57,318,968**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

a) Tangible assets pledged

As at December 31, 2014, the net book value of the tangible assets pledged in favor of banks in respect of the bank borrowings contracted by the Company amounts to RON 9,267,511 (2013: RON 8,748,729).

b) Tangible assets purchased under financial leases

As at December 31, 2014, the Company did not have any financial leases.

c) Restatement of tangible assets

As at December 31, 2014, the tangible assets of the Company were restated by an independent valuator, member of ANEVAR, resulting in a net revaluation loss in amount of RON 1,769,668.

12. INTANGIBLE ASSETS

	Concessions and patents	Other intangible assets	Intangible assets in progress	Total
COST				
As at December 31, 2012	**1,566,116**	**190,943**	**-**	**1,757,059**
Additions	-	346,809	-	346,809
Disposals	-	-	-	-
As at December 31, 2013	**1,566,116**	**537,751**	**-**	**2,103,867**
Additions	-	461,219	-	461,219
Disposals	-	-	-	-
As at December 31, 2014	**1,566,116**	**998,970**	**-**	**2,565,086**
CUMULATED AMORTIZATION				
As at December 31, 2012	**55,668**	**123,233**	**-**	**178,901**
Amortization for the year	31,895	33,366	-	65,261
Amortization pertaining to disposals	-	-	-	-
As at December 31, 2013	**87,563**	**156,599**	**-**	**244,162**
Amortization for the year	31,895	121,628	-	153,523
Amortization pertaining to disposals	-	-	-	-
As at December 31, 2014	**119,458**	**278,227**	**-**	**397,685**
Net book value as at December 31, 2013	**1,478,553**	**381,152**	**-**	**1,859,705**
Net book value as at December 31, 2014	**1,446,658**	**720,743**	**-**	**2,167,401**

Management has analyzed the impairment of the net book value of the tangible and intangible assets and decided that it is not necessary to calculate and record supplementary adjustments for their impairment, as the net value at which they are reflected in the financial position as at December 31, 2014 and December 31, 2013 is their fair value.

13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

For individual financial statements the Company considers that the cost method would be relevant for the user of its separate financial statements, as presented in the table below:

Name of investment	Set - up year	Core business	Place of operations	Holding Percentage 12/31/2014	Holding Percentage 12/31/2013	Carrying amount of the investment 12/31/2014	Carrying amount of the investment 12/31/2013
				%	*%*	*Lei*	*Lei*
Navrom S.A.	1991	Freight transport by inland waterways	Galati, Romania	87.390%	87.39%	39,146,487	39,146,487
Canopus Star S.R.L.	2001	Handling related to freight transport by inland waterways	Constanta, Romania	51.000%	51.00%	45,079,480	45,079,480
Trans Europa Port S.A.	1996	Handling related to freight transport by inland waterways	Galati, Romania	51.005%	51.05%	4,947,771	5,207,309
TTS Operator S.R.L.	1994	Handling related to freight transport by inland waterways	Constanta, Romania	90.000%	89.00%	1,763,811	1,695,412
Cargorom Trans BVBA	1997	Other transportation support activities	Antwerpen, Belgia	51.000%	51.00%	295,475	327,049
Sim Tur S.R.L.	2006	Hotels and other accommodation facilities similar	Buzau, Romania	92.000%	92.00%	2,601,357	2,782,731
Cernavoda Shipyard	2013	Repair and maintenance of ships and boats	Cernavoda, Romania	100.000%	100%	4,455,000	4,455,000
Agrimol		Trading various products	Bucuresti, Romania	100.000%	100%	706,000	96,000
Bunker Trading	2013	Complementary transportation products	Constanta, Romania	51.000%	51%	60,895	102,000
Cargo Trans Vagon S.A.	2004	Freight transport by railway	Bucuresti, Romania	26.000%	26.000%	6,030,752	6,030,752
Transterminal-S S.R.L.	2006	Freight transport by railway	Chisinau, Rep.Moldova	25.500%	25.500%	147,339	147,339
Management NFR S.A.	2003	Consulting for business	Bucuresti, Romania	20.000%	20.000%	18,000	18,000
Danu Transport GMBH	2006	Freight transport by inland waterways	Viena, Austria	15.000%	15.000%	759,943	843,720
GIF Leasing IFN	2004	Financial leases	Bucuresti, Romania	7.701%	7.701%	129,000	129,000
TTS (Transport Trade Services) Gmbh	2014	Comlementary activities related to transport	Viena, Austria	75.000%	0.000%	116,477	
Total						**106,257,787**	**106,060,279**

14. OTHER LONG TERM ASSETS

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Long term securities – a1)	60,125	60,125
Loans to related parties – a2)	-	-
Commercial guarantees	-	70,693
Total	**60,125**	**130,818**

a1) Other long term securities

As at December 31, 2014 and respectively December 31, 2013, the Company held the following investments:

	Type of share held	Ratio held	Cost
		%	*RON*
Panta Rhei Slovakia sro	parti sociale	10,000%	5,195
PR Shipping S.R.L.	parti sociale	10,000%	700
Cargo Trans Vagon Bulgaria JSC	parti sociale	10,000%	54,230

a2) The Company granted a long term loan to Sim Tur S.R.L. in which it holds 49% of the shares. The loan is secured with first rank mortgage over a building owned by Sim Tur S.R.L. The loan was converted to share capital of Sim Tur S.R.L. during 2013 so that as at December 31, 2013, TTS holds 92% of the share capital.

15. INVENTORIES

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Consumables	480,070	482,614
Small tools	38,123	38,123
Goods	-	255,213
Total	**518,193**	**775,950**

16. TRADE AND OTHER RECEIVABLES

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Trade receivables	32,864,826	64,061,331
Value adjustments for doubtful receivables	(1,579,605)	(3,230,575)
Advances paid to suppliers of services	4,984,384	1,796,404
Other receivables	379,449	379,449
Total	**36,649,054**	**63,006,609**

16. TRADE AND OTHER RECEIVABLES (continued)

Changes to the provision for doubtful receivables	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Balance at the beginning of the year	3,230,575	2.234.271
(Decrease) / Increase in provision recognized in the income statement	(1,650,970)	906.304
Balance at the end of the year	**1,579,605**	**3.230.575**

In determining the recoverability of a trade receivable, the Entity considers any change in the crediting quality of the loan up to the reporting date. The concentration of the recoverability risk of the receivable is limited due to the existence of a big number of not affiliated clients. Thus, the management considers that no supplementary impairment adjustments are necessary for trade receivables to the ones already recognized in the current financial statements.

17. OTHER CURRENT ASSETS

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Amounts paid in advance	680,483	194,900
Sundry debtors	4,400,467	1,663,166
Taxes to recover	1,177,937	2,890,933
Total	**6,258,887**	**4,748,999**

18. ISSUED CAPITAL

Issued capital comprises:

	No. of shares	Share capital	Share premium
Balance at December 31, 2012	**666,657**	**35,072,442**	**46,417,946**
Issue of shares	-	-	-
Balance at December 31, 2013	**666,657**	**35,072,442**	**46,417,946**
Issue of shares	-	-	
Balance at December 31, 2014	**666,657**	**35,072,442**	**46,417,946**

No movements in share capital during 2014 and 2013.

18 ISSUED CAPITAL (continuare)

As at 31 December 2014 and 31 December 2013, the Company's shareholding structure is as follows:

Shareholding structure	**No. of shares**	**Ratio**
Mihailescu Mircea	305,940	46%
Stanciu Ion	84,848	13%
Peter Hungerbuhler	60,606	9%
Stefan Viorel	60,606	9%
Hartan Constantin	30,303	5%
Stefanut Petru	18,182	3%
Moldoveanu Aurel	6,061	1%
Petrea Catalin	6,061	1%
Stefan Daniel	6,061	1%
Stoean Antonio	6,061	1%
Simion Camelia	6,061	1%
Alexandrescu Florin	3,070	0%
Cismeck Mihaela	3,070	0%
Mihalcea Mihaela	3,070	0%
International Finance Corporation	66,657	10%
Total	**666,657**	**100%**

19. RESERVES

	Year end December 31, 2014	**Year end December 31, 2013**
	RON	*RON*
Legal reserves	6,752,931	6,666,570
Reevaluation reserve	-	-
Other reserves	2,757,670	2,757,670
Total	**9,510,601**	**9,424,240**

20. BORROWINGS

	Year end December 31, 2014	**Year end December 31, 2013**
	RON	*RON*
Secured borrowings		
Short term borrowings	-	2,118,113
Current part of long term borrowings	5,602,625	5,218,379
Long term borrowings		
Long term borrowings	10,624,655	16,335,716
Total short and long term borrowings	**16,227,280**	**23,672,208**

a) Amounts due to credit institutions

In 2008 and 2009, the Company obtained a credit facility in amount of EUR 10,000,000 from International Finance Corporation to finance the current activity (contract 26203/2008). The loan has to be repaid in 16 consecutive equal, semi-annual installments (15-Jan-2010 till 15-Jul-2017). The balance of the liability as at 31.12.2014 is of EUR 3,750,000 (RON 16,807,875).

20. BORROWINGS (continued)

a) Amounts due to credit institutions (continued)

The credit facility comprises the following sublimits of credit

	Amount initially borrowed
	EUR
Installment 1 (received in 2008)	6,500,000
Installment 2 (received in 2008)	3,000,000
Installment 3 (received in 2009)	500,000
TOTAL	**10,000,000**

The following covenants were mentioned in the contract:

1. On a consolidated basis

   a. Current ratio over 1.1
   b. Financial Debt to Tangible Net Worth Ratio below 1.0
   c. Peak Debt Service Coverage Ratio over 1.3

The Company may not enter into any agreement or arrangement to lease any property or equipment (except Financial Leases) with lease payments over 500,000 USD in any financial year.

The Company may not share profits, enter into any management contract whereby its business should be managed by another person.

The Company may not make loans / advances to / deposits exceeding 2 million EUR.

The Company may not use the proceeds of any Disbursement in a country that is not a member of the World Bank.

The contract mentioned above was secured with 51% of the shares held by the Company in C.N.F.R. Navrom S.A. The last installment of the borrowing will be paid on July 15, 2017.

As at December 31, 2014 the Company was in compliance with these covenants.

b) Amounts due to shareholders

The Company does not owe any amounts to the shareholders.

21. PROVISIONS

The Company did not make any provision for risks and charges.

22. TRADE PAYABLES AND OTHER PAYABLES

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Trade payables	30,063,506	37,810,857
Payables regarding invoices to receive	598,713	(140,519)
Sundry creditors	1,713,833	4,519,665
Total	**32,376,052**	**42,190,003**

23. OTHER CURRENT PAYABLES

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Employees related payables	240,461	199,577
Social security	401,548	263,249
Income tax	219,293	2,590,243
Tax on salaries payable	142,708	77,999
Interest payable	102,969	140,004
Other non-commercial liabilities	541,277	658,830
Total	**1,648,256**	**3,929,902**

24. FINANCIAL INSTRUMENTS

a) Capital risk management

The Company manages its capital in order to make sure that it can continue as a going concern also ensuring a maximization of the shareholders" wealth by optimizing the balance of liabilities and equity.

The Company has liabilities, which include the borrowings presented in note 20.

Equity includes share capital, reserves and retained earnings, as disclosed in Notes 18 and 19.

The Company monitors the equity based on gearing. Gearings is calculated as long term borrowings divided to net worth. Net worth is calculated as "Equity and reserves" as reported in the statement of financial position.

Gearing as at December 31, 2014 and December 31, 2013 was the following:

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Total borrowings	**16,227,280**	**21,554,095**
Total equity and reserves	**221,769,324**	**208,638,834**
Gearing	**7%**	**10%**

24. FINANCIAL INSTRUMENTS (continued)

b) Foreign currency risk

The Company is exposed to fluctuations in the FX rates in the commercial and financing transactions. Foreign currency risk results from the recognized assets and liabilities, including borrowings, expressed in foreign currencies. Due to the high costs associated, the Company's policy is not to use derivatives to hedge this risk.

c) Interest rate risk management

The interest rate risk at fair value is the risk that the value of a financial instrument should fluctuate due to the variations in the market interest rates. Financial instruments are interest bearing at market rates and, as a result, it is considered that their fair values do not differ significantly from their book values.

d) Credit risk management

The Company is exposed to a credit risk due to its trade receivables and other receivables. The Company has policies in place meant to ensure that the sales are made to the clients with proper payment history. The due date of the liabilities is carefully monitored and the amounts outstanding after the expiration of the due date are promptly pursued. Trade receivables (clients) are presented net of the adjustments for the impairment of doubtful receivables. The Company develops policies that limit the value of the credit exposure to any financial institution.

e) Liquidity risk management

A prudent liquidity risk management involves maintaining sufficient cash and credit lines available, a continuous monitoring of the estimated and actual cash flow and correlation of the due dates of the financial assets and liabilities. Due to the nature of its business, the Company intends to be flexible in respect of the financing options with the support of the majority shareholder.

f) Fair value of the financial instruments

The fair values of the financial assets and liabilities are determined as follows:

- the fair value of the financial assets and liabilities under standard terms and conditions and traded active and liquid and active market is determined by reference to the listed market rates;

- the fair value of other financial assets and liabilities (excluding derivatives) is determined in accordance with the generally accepted price models, based on the analysis of the discounted cash flows, using prices from observable current market transactions; and

- the fair value of the derivatives is calculated using the listed prices. Where such prices are not available, the analysis of the discounted cash flows is applied using the yield curve applicable to derivatives that do not include options and option evaluation models for the derivatives based on options.

The financial instruments in the balance sheet include trade receivables and other receivables, cash and cash equivalents, short and long term borrowings and other liabilities. The estimated fair values of these instruments approximate their book values. The book values represent the maximum exposure of the Company to the credit risk related to the existent receivables.

24. FINANCIAL INSTRUMENTS (continued)

The book values of the Company's currencies expressed in monetary assets and liabilities as at the reporting date are the following:

2013	EUR 1 EUR = RON 4.4847	USD 1 USD = RON 3.2551	CHF 1 CHF = RON 3.6546	GBP 1 GBP = RON 5.3812	RON 1 RON	31-Dec-13 Total
	RON	*RON*	*RON*	*RON*	*RON*	*RON*
ASSETS						
Cash and cash equivalents	24,970,709	11,688,417	2,744	116	2,998,934	39,660,920
Receivables and other current assets	27,132,164	1,957,725	-	-	38,665,719	67,755,609
Loans to associates	4,531,789	-	-	-	2,000,000	6,531,789
Other long term receivables	-	-	-	-	130,818	130,818
LIABILITIES						-
Trade payables and other payables	13,849,866	27,473	-	1,967	32,240,600	46,119,906
Short and long term borrowings	22,521,578	-	-	-	2,118,113	24,639,691
Net balance sheet exposure	**20,263,218**	**13,618,669**	**2,744**	**(1,851)**	**9,436,759**	**43,319,539**

2014	EUR 1 EUR = RON 4.4821	USD 1 USD = RON 3.6868	CHF 1 CHF = RON 3.7273	GBP 1 GBP = RON 5.743	RON 1 RON	31-Dec-14 Total
	RON	*RON*	*RON*	*RON*	*RON*	*RON*
ASSETS						
Cash and cash equivalents	10,888,504	2,746,947	2,798	124	12,577,488	26,215,861
Receivables and other current assets	12,516,317	3,284,343	-	-	27,107,281	42,907,941
Loans to associates	2,408,463	-	-	-	23,353,759	25,762,222
Other long term receivables	-	-	-	-	60,125	60,125
LIABILITIES						
Trade payables and other payables	16,755,933	3,700,338	-	2,099	14,774,635	35,233,005
Short and long term borrowings	17,435,977	-	-	-	-	17,435,977
Net balance sheet exposure	**(8,378,626)**	**2,330,952**	**2,798**	**(1,975)**	**48,324,018**	**42,277,167**

24. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

The Company is mainly exposed to the variations in the FX rates of EUR and USD against RON. The table below details the Company's sensitivity to a 10% increase or decrease of EUR / USD against RON. 10% is the sensitivity rate used when the internal reporting of the FX risk is made to the top management and represents the management's estimate regarding the reasonably possible changes in the FX rates. Sensitivity analysis includes only the remaining currency expressed in the monetary elements and adjust the translation at the end of the period for a 10% change in the FX rates. In the following table, a negative value indicates a decrease in profit when RON is impaired by 10% as against EUR / USD. A 10% increase of RON against EUR / USD would have an equal and contrary impact on profit and other equity and the balances below would be positive. The changes will be attributable to the exposures pertaining to the borrowings in EUR and USD at year end.

	31-Dec-14	31-Dec-13
	RON	*RON*
Profit or loss	(604,488)	3,388,189

The impact on the result according to each currency is the following:

Currency	**31-Dec-14**	**31-Dec-13**
	RON	*RON*
EUR	(837,863)	2,026,322
USD	233,095	1,361,867
CHF	280	-
RON	-	-
Total	**(604,488)**	**3,388,189**

Tables regarding the liquidity risk and interest rate risk

The following tables detail the periods to the due dates of the financial liabilities of the Company.

The tables have been prepared based on the cash flows not updated of the financial liabilities as at the nearest date when the Company can be required to pay. The table includes both the interest and the cash flows pertaining to equity.

24. FINANCIAL INSTRUMENTS (continued)

2013	Less than 1 month	> 1 month – 1 year	1–2 year(s)	2-5 years	Total
Not bearing interest					
Trade payables and other current payables	41,942,429	4,177,477	-	-	**46,119,906**
Interest bearing instruments					
Long and short term borrowings	2,800,434	4,888,511	5,481,714	11,469,034	**24,639,691**
Long and short term leases	-	-	-	-	-
Cash and cash equivalents	21,324,170	18,336,750	-	-	**39,660,920**
Loans to associates	-	6,531,789	-	-	**6,531,789**
Receivables and other current assets	62,493,708	4,943,484	318,416	-	**67,755,609**
Other long term receivables	-	130,818	-	-	**130,818**

2014	Less than 1 month	> 1 month – 1 year	1–2 year(s)	2-5 years	Total
Not bearing interest					
Trade payables and other current payables	34,024,308	-	99,718	1,108,979	**35,233,005**
Interest bearing instruments					
Long and short term borrowings	2,801,313	2,768,791	11,865,874	-	**17,435,977**
Long and short term leases	-	-	-	-	-
Cash and cash equivalents	3,982,125	22,233,735	-	-	**26,215,861**
Loans to associates	-	25,762,222	-	-	**25,762,222**
Receivables and other current assets	42,907,941	-	-	-	**42,907,941**
Other long term receivables	-	-	60,125	-	**60,125**

25. RELATED PARTY TRANSACTIONS

Balances and transactions with the related parties are the following:

	Amounts receivable from related parties		Amounts payable to related parties	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	RON	*RON*	*RON*	*RON*
Navrom S.A.	1,513,664	9,849,299	20,503,039	18,129,271
TTS Operator S.R.L.	453,840	466,755	2,971,737	4,031,213
Canopus Star S.R.L.	-	1,671,455	2,898,468	761,085
Trans Europa Port S.A.	5,092	2,118,548	(293,224)	72,031
Navrom Bac S.R.L.	-	-	-	-
Navrom - Centru de Afaceri S.R.L.	-	-	-	-
Navrom Shipyard S.R.L.	-	-	-	-
Sim Tur S.R.L.	1,012	-	-	-
Cargorom Trans BVBA		113,463	-	31,393
Agrimol Trade S.R.L.	15,802,592	-	99,539	-
Cernavoda Shipyard S.R.L.	8,072,344	-	25,112	-
TTS Vienna	80,678	-	-	-
Total	**25,929,222**	**14,219,520**	**26,204,671**	**23,024,993**

	Vanzari de bunuri si servicii		Achizitii de bunuri si servicii	
	31-Dec-14	12 luni 2013	31-Dec-14	12 luni 2013
	RON	*RON*	*RON*	*RON*
Navrom S.A.	4,994,948	11,607,602	181,729,881	203,706,106
TTS Operator S.R.L.	4,440,446	5,446,080	17,714,949	24,109,170
Canopus Star S.R.L.	-		8,700,723	10,105,741
Trans Europa Port S.A.	78,909	126,219	1,947,420	1,990,743
Navrom Bac S.R.L.	-	-	-	-
Navrom - Centru de Afaceri S.R.L.	-		-	
Navrom Shipyard S.R.L.	-	16,740	6,633	8,022,496
Sim Tur S.R.L.	-	-	-	-
Cargorom Trans BVBA	-	140,054	-	395,862
Agrimol Trade S.R.L.	4,895,268	-	40	-
Cernavoda Shipyard S.R.L.	199,055	-	24,644	-
Total	**14,608,626**	**17,336,695**	**210,124,290**	**248,330,117**

26. CASH AND BANK ACCOUNTS

For the purposes of the cash flow statement, cash and cash equivalents include petty cash and bank accounts. Cash and cash equivalents at the end of the financial year, as presented in the cash flow statement can be reconciled with balance sheet elements as follows:

	Year end December 31, 2014	Year end December 31, 2013
	RON	*RON*
Cash in banks	23,197,955	7,111,094
Petty cash	8,133	5,986
Cash equivalents	3,009,773	32,543,840
Total	**26,215,861**	**39,660,920**

27. COMMITMENTS AND CONTINGENCIES

Contingent liabilities:

Taxation

Taxation system in Romania is still developing and is subject to various interpretations and constant changes, which may sometimes be retroactive. Although the tax actually due for a transaction can be low, penalties can be significant, as they can be calculated at the value of the transaction plus a ratio of 0.1% per days since 2006 until July 2010 and 0,04% after July 2010, but can be significantly higher. In Romania, the statute of limitation for audits by the tax authorities is of 5 years. Management considers that the tax obligations included in these financial statements are adequate.

In accordance with the provisions issued by the Ministry of Public Finance, which regulate the fiscal regime of the elements of equity that have not been subject to the calculation of the income tax at the date of being entered in the accounts, due to their nature, if the Company changes the destination of the revaluation reserves (to cover losses or to distribute to the shareholders), this will lead to supplementary income tax liabilities.

Environment

The regulations regarding the environment are still developing in Romania and the Company did not record any obligations as at December 31, 2014 or December 31, 2013 for any anticipated costs, including legal and consulting fees, surveys of the location, design and implementation of remedial plans regarding the environment.

28. SUBSEQUENT EVENTS

There are no significant subsequent events after the balance sheet date.

The financial statements were approved by the Board of Directors and authorized to be issued on April 4, 2015, by:

Stanciu Ion,
CEO

Stefanut Petru,
CFO