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

To the Shareholders of
S.N. Nuclearelectrica S.A.

Introduction

- 1 We have reviewed the accompanying condensed consolidated statement of financial position of S.N. Nuclearelectrica S.A. ("the Company") and its subsidiary EnergoNuclear S.A. (together "the Group") as at 30 June 2014, the condensed consolidated income statement, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard ("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

- 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 condensed consolidated 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.

Basis for Qualified Conclusion

- 3 As described in Note 4 to the accompanying condensed consolidated interim financial statements, as at 30 June 2014, the Group has property, plant and equipment with a carrying value of RON 273,960,000 (RON 273,960,000 as at 31 December 2013) consisting of Nuclear Power Plant Units 3 and 4 of CNE Cernavoda. Prior to 1991, Nuclear Power Plant Units 1, 2, 3, 4 and 5 were considered a single project and therefore, construction costs incurred were not allocated to each unit on a separate basis. Subsequently, the Group performed an allocation of these costs to Nuclear Power Plant Units 3 and 4. We were unable to obtain sufficient appropriate audit evidence both as at 30 June 2014 and 31 December 2013 about the accuracy of this allocation which impacts the valuation of these assets.

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.

These limitations also apply to the related deferred tax liability of RON 43,524,186 as at 30 June 2014 (RON 43,524,186 as at 31 December 2013). Our audit opinion on the consolidated financial statements as at and for the year ended 31 December 2013 dated 26 March 2014 was modified accordingly. Consequently, we were unable to determine whether adjustments might be necessary to property, plant and equipment, deferred tax liability and retained earnings as at 30 June 2014 and 31 December 2013 and to depreciation and amortisation, income tax expense and profit for the six month period ended 30 June 2014.

Qualified Conclusion

- 4 Based on our review, except for the possible effects of the matter described in paragraph 3, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not give a true and fair view of the financial position of the Group as at 30 June 2014, and of its condensed consolidated financial performance and its condensed consolidated cash flows for the six month period then ended in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

Emphasis of Matter

- 5 Without further qualifying our conclusion, we draw attention to Note 16 i) to the accompanying condensed consolidated interim financial statements which describes that there are uncertainties regarding the ability of the subsidiary EnergoNuclear S.A. to continue as a going concern in the foreseeable future. On 25 November 2013 the Company signed a letter of intention with China General Nuclear Power Group ("CGN"), as CGN has expressed its interest to become the majority shareholder of EnergoNuclear S.A. provided it is satisfied with certain investment conditions. On 25 April 2014, the Company and CGN signed an addendum to the initial letter of intention through which the parties have agreed to extend its validity until 31 December 2014. EnergoNuclear S.A.'s future operations in conjunction with nuclear units 3 and 4 are dependent upon obtaining adequate sources of financing.

Other Matters

- 6 We draw attention to the fact that we have not reviewed the accompanying condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period ended 30 June 2013, or any of the related notes and accordingly we do not express a conclusion on them.
- 7 This independent auditor's review 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 or for the conclusions we have reached.

Refer to the original signed
Romanian version



KPMG Audit SRL
Bucharest, 11 August 2014