



REVIEW REPORT

TO THE MEMBERS OF S.N. NUCLEARELECTRICA S.A.

[1] We have performed a review on the statutory consolidated interim financial statements of **S.N. NUCLEARELECTRICA S.A.** (the "Company"), which comprise consolidated interim statement of financial position as at 30 June 2015, together with consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity, consolidated interim cash flow statement for the six months period ended as of this date, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the statutory consolidated interim financial statements

[2] The Company's management is responsible for the preparation of consolidated interim financial statements in accordance with Ministry of Public Finances Order no. 1286/2012 "for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, applicable to commercial entities whose securities are admitted to trading on a regulated market" and related regulations, and for such internal control level as the management determines it is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

[3] Our responsibility is to express a conclusion on this consolidated interim financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements adopted by Romanian Chamber of Financial Auditors (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Scope of review

[4] A review of interim financial information 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

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Registered in Romania (RN: J40/5434/2003). List of directors can be found at the Company's Registered Office.

Basis for qualified conclusion

- [5] As stated also in the Note 4 to the consolidated interim financial statements, as at 30 June 2015 the Company has recorded tangible assets in progress with the book value of RON 273.960.000 (RON 273.960.000 as at 31 December 2014), comprising capitalized items for the units 3 and 4 of Cernavoda nuclear power station. Before 1991, nuclear unit stations 1, 2, 3, 4 and 5 were considered a single project and therefore, the realized constructions costs were not allocated at the level of each unit. Subsequently, The Company has done the allocation of the construction costs for the units 3 and 4 of the nuclear power station. We could not obtain sufficient and relevant evidence in relation with the accuracy of this split, which has effect on the valuation of these assets. These limitations have impact as well on the deferred tax liability in amount of RON 47.684.795 (RON 47.691.959 as at 31 December 2014), allocated for the units 3 and 4 as at 30 June 2015. Consequently, we were not able to determine if adjustments are needed on the fixed assets, deferred tax liability, retained earnings as at 30 June 2015, and therefore on the depreciation and amortization, profit tax and net profit for the year ended at the same date.

Conclusion

- [6] We conclude that, based on our review, except for the matter described in paragraph [5] nothing has come to our attention that causes us to believe that the interim consolidated financial position of S.N. NUCLEARELECTRICA S.A. as at 30 June 2015 and its interim consolidated financial performance and its consolidated interim cash flows for six months period then ended, is not prepared in all material respects, in accordance with the Ministry of Public Finances Order no. 1286/2012 “for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, applicable to commercial entities whose securities are admitted to trading on a regulated market” and related regulations.

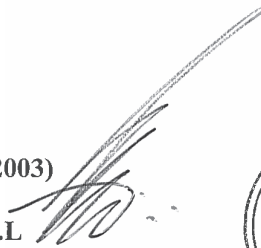
Emphases of matters

- [7] Without further qualifying our conclusion, we draw attention to the Note 16 of the consolidated interim financial statements, which describes the fact that there is an uncertainty with regards to the going concern of the subsidiary Energonuclear S.A. The total estimated recoverable amount of the investment in Units 3 and 4 of Cernavoda, including also all capitalized consolidated elements of the Company, was determined by the management based on certain assumptions, professional judgments, expectations of future events, which are believed to be reasonable under the circumstances, and other factors. The estimated recoverable amount will, by definition, seldom equal the related actual results. At the date of the issue of these consolidated interim financial statements the estimated recoverable value of the aforesaid investment exceeded its carrying value under the assumption that the current negotiations between the management of the Company and the potential investor will be successfully concluded. In the event that any of the assumptions, professional judgments, expectations of future events and other factors do not materialize this may cause a material adjustment to the carrying amounts of the consolidated Company’s assets, liabilities and results within the current or next financial year, the impact of which cannot be reasonably estimated as of the date of the issue of these consolidated interim financial statements.

Other Matter

- [8] The consolidated financial statements of the Company for the six months period ended 30 June 2014 have been reviewed by another auditor which on 11th of August 2014 expressed a qualified conclusion on the matters described in the paragraph [6].
- [9] This report, including the conclusion, has been prepared and is intended solely for the information and use of the Company's members as a body. To the fullest extent permitted by the law, our review work has been undertaken so that we might report those matters that we are required to report in a financial auditor Review's Report and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

Auditor:
MAMAS KOUTSOYIANNIS
Member of CFAR (authorization no. 1515/25.09.2003)
in the name of:
BAKER TILLY KLITOU AND PARTNERS S.R.L
Company member of CFAR (authorization no. 384/26.05.2003)



Bucharest, 11 August 2015

