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Independent Auditors' Report (free translation¹)

To the sole shareholder of
Filiala de Intretinere si Servicii Energetice Electrica Serv S.A.

Report on the Financial Statements

1 We have audited the accompanying financial statements of Filiala de Intretinere si Servicii Energetice Electrica Serv S.A. ("the Company"), which comprise the balance sheet as at 31 December 2015, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, presenting the following:

- Net assets/Total equity: Lei 250,848,697
- Profit for the year: Lei 1,936,200

Management's Responsibility for the Financial Statements

2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Order of Minister of Public Finance no. 1802/2014 for approval of accounting regulations for the annual individual financial statements and annual consolidated financial statements and related amendments ("OMPF no. 1802/2014"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on these 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 whether the 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.

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.

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

Basis for Qualified Opinion

- 6 As described in Note 17.4 to the accompanying financial statements, in 2015 the Company's Board of Directors endorsed a reorganisation plan that provides for the reduction of the number of personnel in 2015-2017 and provision of termination benefits. The Company did not recognise a restructuring provision, which is required according to OMPF no. 1802/2014 and also, did not adjust provisions for pensions and similar obligations as at 31 December 2015. Consequently, "Other provisions" are understated by Lei 29 million and "Provisions for pensions and similar obligations" are overstated by Lei 5.2 million as at 31 December 2015, "Provision expenses" are understated and "Profit for the year" is overstated by Lei 23.8 million for the year ended 31 December 2015.

Qualified Opinion

- 7 In our opinion, except for the effects of the matter described in paragraph 6, the financial statements as at and for the year ended 31 December 2015 give a true and fair view of the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the year then ended, in accordance with OMPF no. 1802/2014.

Emphasis of Matter

- 8 Without further qualifying our opinion, we draw attention to Note 13 to the accompanying financial statements, which describes that a significant part of the Company's sales refers to transactions with group companies. The Company's ability to continue as a going concern is dependent on the commercial relationship with group companies.

Other Matters

- 9 The accompanying financial statements are not intended to present the financial position, results of operations, cash flows and a complete set of notes to the financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying financial statements are not designed for those who are not informed about Romanian legal and statutory requirements, including OMPF no. 1802/2014.
- 10 This independent auditors' report is made solely to the Company's sole shareholder. Our audit work has been undertaken so that we might state to the Company's sole shareholder those matters we are required to state to them in an auditors' 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 sole shareholder, for our audit work, for the report on the financial statements and the report on the administrators' report, or for the opinion we have formed.

Report on Administrators' Report

The Administrators are responsible for the preparation and presentation of the Administrators' Report in accordance with OMPF no. 1802/2014, articles 489 – 492 of the accounting regulations regarding annual individual financial statements and annual consolidated financial statements, and for such internal control as Administrators determine is necessary to enable the preparation and presentation of Administrators' Report that is free from material misstatement, whether due to fraud or error.

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The Administrators' Report presented from page 1 to 12 is not part of the financial statements.

Our opinion on the financial statements does not refer to the Administrators' Report.

In connection with our audit of the financial statements as at and for the year ended 31 December 2015, we have read the Administrators' Report attached to the financial statements, and based on this we report that:

- a) in the Administrators' Report we have not identified information which is not in accordance, in all material respects, with the information presented in the accompanying financial statements;
- b) the Administrators' Report identified above include, in all material respects, the information required by OMFP no. 1802/2014, articles 489 – 492 of the accounting regulations regarding annual individual financial statements and annual consolidated financial statements.

In addition, based on our knowledge and understanding of the entity and its environment acquired during our audit of the financial statements as at and for the year ended 31 December 2015, except for the effects on the information included in the Administrators' Report of the matter described in the *Basis for qualified opinion* paragraph 6, we have not identified historical financial information included in the Administrators' Report that contains a material error.

Refer to the original signed
Romanian version

For and on behalf of KPMG Audit S.R.L.:

Mikael Olsson

registered with the Chamber of Financial
Auditors of Romania under no 662/2001

KPMG Audit S.R.L.

registered with the Chamber of Financial
Auditors of Romania under no 9/2001

Bucharest, 10 March 2016