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REPORT OF FACTUAL FINDINGS (free translation¹)

To the Directorate
C.N.T.E.E. Transelectrica SA

We have performed the procedures agreed with you and detailed below with respect to the financial commitments assumed by C.N.T.E.E. Transelectrica S.A. (“the Company”) through the Prospectus on unsecured bonds denominated in lei with a total nominal value of RON 200,000,000 with an annual interest rate of 6.1% due on 19 December 2018 (“Prospectus”). Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the compliance with financial commitments, as specified in the Prospectus and are detailed below:

- 1 We obtained the definitions of the financial commitments included in the Prospectus, section Bonds’ Terms and Conditions, art. 12. We obtained the calculations of the financial commitments in accordance with the Prospectus prepared by the management of the Company.
- 2 We checked the mathematical accuracy of the calculations of the financial commitments in accordance with the Prospectus prepared by the Company based on the Company’s consolidated financial statements as at and for the year ended 31 December 2013 prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS-EU”) and based on the Company’s trial balance as at 31 December 2013;
- 3 We compared the financial commitments calculated by the Company with the requirements specified in the Prospectus.

We report our findings below:

- With respect to procedure 1, we have obtained the definitions of the financial commitments included in the Prospectus, section Bonds’ Terms and Conditions, art 12. We obtained the calculations of the financial commitments in accordance with the Prospectus prepared by the Company – see Appendix A to this report.
- With respect to procedure 2, we found that the calculation of the financial commitments is mathematically correct.

¹ TRANSLATOR’S EXPLANATORY NOTE: The above translation of the report of factual findings is provided as a free translation from Romanian which is the official and binding version.

- With respect to procedure 3, we report the following:

Financial commitments	Requirements of the Prospectus	Financial commitments as per calculation as at 31 December 2013 included in Appendix A
EBITDA Interest Coverage Ratio	equal or greater than 4.2	20.29
Debt to Equity	equal or lower than 0.95	0.44

Because the above procedures do not constitute either an audit, a review or an assurance engagement made in accordance with International Standards on Auditing, International Standard on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the financial information referred to above. Had we performed additional procedures, or had we performed an audit, a review or an assurance agreement in accordance with International Standards on Auditing, International Standard on Review Engagements or International Standards on Assurance Engagements other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph, for the information of the Company, which agreed the procedures performed and is responsible for the sufficiency of these procedures for the purpose set forth in the first paragraph, and is not to be used for any other purposes. Any party, other than the Company which has access to our report or to a copy of it, or to any part of it, and which decides to rely upon our report, or on any part of it, will do so at its own risk. This report relates only to the items specified above and does not extend to any financial statements of CNTEE Transelectrica SA, taken as a whole.

Enclosure:

- Appendix A – Full calculations of financial commitments as at 31 December 2013 assumed by C.N.T.E.E. Transelectrica S.A. (“the Company”) through the Prospectus on unsecured bonds denominated in lei with a total nominal value of RON 200,000,000 with an annual interest rate of 6.1% due on 19 December 2018, calculations performed based on the Company’s consolidated financial statements as at 31 December 2013 prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (“IFRS-EU”) and based on the Company’s trial balance as at 31 December 2013.

**Refer to the original signed
Romanian version**

KPMG Audit SRL
28 April 2014
Bucharest, Romania

Appendix A) Full calculations of financial commitments as at 31 December 2013 assumed by C.N.T.E.E. Transelectrica S.A. ("the Company") through the Prospectus on unsecured bonds denominated in lei with a total nominal value of RON 200,000,000 with an annual interest rate of 6.1% due on 19 December 2018, calculations performed based on the Company's consolidated financial statements as at 31 December 2013 prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS-EU") and based on the Company's trial balance as at 31 December 2013.

1. EBITDA interest cover ratio for 2013

	2013
	Thousand RON
Profit before income tax	248,731
Add: Net interest payable	25,876
Add: Depreciation and amortization	342,522
EBITDA (A)	617,129
Interest payments on debt (B)	30,413
EBITDA interest cover ratio	20.29

EBITDA interest cover ratio defined as A/B is 20.29. The ratio should be equal or greater than 4.2.

2. Debt to Equity ratio as at 31 December 2013

	31 December 2013
	Thousand RON
Debt	1,169,744
Equity	2,641,042
Debt to Equity Ratio	0.44

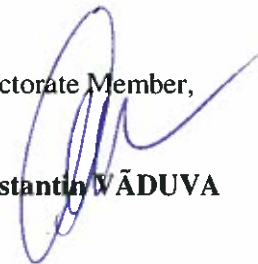
Debt to Equity ratio is 0.44. The ratio should be lower or equal than 0.95.

Directorate,
Head of Directorate,
Chief Executive Officer
Ștefan Doru BUCATARU



Directorate Member,

Constantin WĂDUVA



Economic Director
Maria IONESCU



DSFT Director
Cristina STOIAN



Manager
Florin STANCIU