

Strictly private and confidential

14 January 2016



The Management Board
Grupa DUON Spółka Akcyjna
(the "**Company**" or "**DUON**")
ul. Serdeczna 8
62-081 Przemierowo, Poland

Dear Sirs

Fortum Oyj ("Fortum**") fully funded all cash offer of PLN 3.85 per DUON share for 100% of share capital in the Company**

As part of our engagement as financial adviser to the Company in relation to the strategic options review as well as the above tender offer and pursuant to the terms agreed between us in the agreement dated 27 October 2015 ("**Engagement Letter**"), you have requested the opinion of Rothschild Polska sp. z o. o. ("**Rothschild**") as to whether the proposed cash consideration of PLN 3.85 per DUON share (the "**Consideration**") to be received by the holders of 115,572,647 (plus a maximum of 4,874,815 shares to be issued as part of employee incentive programme) shares of par value of PLN 1.00 in the Company (the "**Shares**") on the terms and subject to the conditions of the offer made by Fortum (the "**Offeror**") as set out in its announcement dated 08 January 2016 (the "**Offer**" or the "**Transaction**") is fair to such shareholders from a financial point of view.

As you are aware, we are acting as financial advisor to the Company in connection with the Transaction and expect to receive a customary advisory fee for our services from the Company, a significant portion of which is contingent upon the consummation of the Transaction. The Company has also agreed to indemnify us against certain liabilities and obligations which may arise in connection with our engagement. For the avoidance of doubt, we are not acting as an advisor for any shareholders of the Company.

The terms and expressions defined in the Engagement Letter shall have the same meaning where used in this opinion.

The Offer is conditional upon at least Shares representing 51% of the total votes at the Company's shareholders meeting being tendered in acceptance of the Offer and approval of the relevant antimonopoly body. The Offer will be open for acceptances from 28 January 2016 to 26 February 2016. As stipulated by Article 80 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and



Public Companies (“**Act**”), the Management Board of DUON is obliged to provide its opinion with respect to the Offer by 26 January 2016.

The availability of funding for the cash consideration offered by Fortum has been confirmed by a bank guarantee issued by Danske Bank A/S, for not less than a value of 100% of shares which are intended to be purchased by Fortum.

In arriving at the opinion set out below, we have, amongst other things:

1. Reviewed Fortum’ Offer, with particular focus on the financial terms of the Offer;
2. Reviewed DUON’s (i) consolidated interim financial statements for the nine-months ended 30 September 2015 and related presentation; (ii) supplement data to the consolidated quarterly report for the nine months ended 30 September 2015; (iii) consolidated annual report for the financial year ended 31 December 2014 and related presentation and (iv) long-term financial projections for financial years 2015 – 2020;
3. Reviewed certain financial and commercial analyses, forecasts and financial models relating to sales volumes, margin estimates, operating performance, earnings, cash flow, assets, capital expenditures and prospects for the Company prepared and provided to us by its management;
4. Held discussions with members of the Management Board of the Company regarding the past and current business operations, the financial condition and future prospects of the Company;
5. Reviewed certain financial and stock market data of DUON and compared that data with similar data for other publicly held companies in businesses which we deemed similar to those of DUON. We have considered, to the extent publicly available, the financial terms of certain recent business combinations including takeovers, mergers, transactions, acquisitions and disposals which have recently been effected or announced. No company or transaction considered in our analyses was identical to DUON, or the Offer. Accordingly, such analyses are not based solely on arithmetic calculations; rather, they involve considerations and judgments concerning differences in financial and operating characteristics of the relevant companies, the timing of the relevant transactions and prospective buyer interests, as well as other factors that could affect the public trading markets of companies to which DUON is being compared. Our comparisons in particular included consideration of companies with similar products/services, similar operating or financial characteristics or servicing similar markets or markets displaying certain key similarities to DUON’s divisions on the sum-of-the-parts (SoTP) basis;
6. Reviewed certain financial projections for the Company contained in certain securities analysts’ research reports; and
7. Reviewed, where available, certain other financial studies and analyses, performed other investigations and taken into account other matters that we deemed appropriate including our assessment of current general economic, market and monetary conditions.



As agreed with you:

1. We have relied, without independent verification, on the information and documentation provided by the Company and publicly available information, subject to all qualifications and assumptions contained therein, whether express or implied. We have assumed and relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information, reports and documents reviewed or used by us, and we do not assume any liability for these. This applies regardless of whether the information and documents were publicly available, have been provided to us by the Company, or were otherwise made available to us. Accordingly, at your direction, we have not undertaken an independent review or verification of the information and documents concerning their consistency, correctness and completeness. We have assumed that all of the respective information, including historical, projected and estimated financial and other data, that were available to us, have been prepared reasonably on a basis reflecting the best currently publicly available information, estimates and good faith judgements of the respective source concerning the expected future results of operations and financial condition of the Company or any other entity to which such analyses or forecasts relate.
2. We have assumed that the financial forecasts furnished by the Company, including information relating to the past and current business operations, the financial condition and future prospects of the Company have been reasonably prepared on bases reflecting the best available estimates and judgments of the future financial performance of the Company by members of the Management Board of the Company. We do not assume or accept liability or responsibility for (and express no view as to) the achievability of the forecasts of the future financial performance of DUON or the assumptions upon which they are based.
3. We have also assumed that all governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained without any reduction in the benefits of the Transaction.
4. We have not provided, obtained or reviewed any specialist advice, including but not limited to, commercial, legal, accounting, actuarial, environmental, information technology or tax advice, and, accordingly, this letter does not take into account the possible implications of any such specialist advice.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company. This opinion is based on valuations and assessments of the business as they are typically performed by investment banks in providing fairness opinions in these types of transactions. Such assessments are carried out using valuation methods commonly used by investment banks and differ in a number of important respects from a valuation performed by qualified auditors and/or from asset-based valuations generally.

This opinion is governed by Polish law and relates only to Polish law as applied by the Polish courts as at today's date. We express no opinion in this letter on the laws of any other jurisdiction.



This opinion is confidential to, and for use only by, the Management Board of the Company in connection with and for the purposes of its evaluation of the Offer and its obligations under the Act, and may not be used or relied on for any other purpose or relied upon for any purpose by any other person. Unless the disclosure of this opinion is required by Polish law and only to the extent provided by such law, the existence of this opinion or its contents nor the fact that our advice has been given in connection with the Offer may be copied in whole or in part, or discussed with any other parties, or published or made public or referred to in any way, without our prior written consent.

This opinion and all information and views given herein are based on economic, monetary, market, regulatory and other conditions as in effect on, and the information and documents available to us as of, the date hereof. It should be understood that these as well as other assumptions underlying this opinion may change in the future. This opinion and all information and views given herein are subject to all qualifications and assumptions contained in such information and documents, whether express or implied. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. In addition, changes in the business of the Company and its subsidiaries and participations or in the environment the Company operates in, including the laws and regulations applicable to the Company's business as well as capital markets, could affect the financial forecasts for and the financial condition of these businesses.

This opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available to or with respect to the Company. As agreed with you, we have not been asked to, nor do we offer any opinion as to the material terms of the Transaction (other than as to the fairness of the Consideration from a financial point of view). We express no opinion as to the underlying business decision of the Company to effect or proceed with the Transaction.

In this letter we express no opinion as to any legal, tax or accounting issues which may arise or be suffered as a result of or in connection with the Offer and which are not directly connected with the issuance of this fairness opinion given within the scope provided by the Art. 80 of the Act. Furthermore, at your direction, we have not taken into account any potential tax consequences from the Transaction.

Specifically, this opinion does not constitute a recommendation to any shareholder of the Company as to whether or not to accept the Offer. In addition, we are not expressing any opinion as to the price at which the Company's shares may trade if the Offer lapses. This opinion does further not constitute a recommendation to the Management Board of Company with respect to the Transaction.

Based upon, and subject to, the foregoing, and based upon such other matters as we consider relevant as of the date of this letter, we are of the opinion that the Consideration is fair, from a financial point of view, to the shareholders of the Company.



Yours truly

for and on behalf of
Rothschild Polska sp. z o. o.

Jacek Chwedoruk

Managing Director,
President of the Management Board