



HALF-YEAR REPORT
of the Board of Directors on the administration of
S.N. NUCLEARELECTRICA S. A.
For a period of 6 months related to the 1st semester of 2014

Prepared in accordance with the provisions of art. 7.19 and art. 7.21 from the administration contracts of the
members of the Board of Directors and
The provisions of OUG 109/2011 regarding the corporate governance of public companies

Information and individual interim condensed financial statements
presented in this report are not audited and have been prepared
in accordance with Ministry of Finance Order no. 1286/2012
based on International Accounting Standard 34 – *“Interim Financial Reporting”*

Date of the report: August 2014

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1. FOREWORD

The half-year report of the administrators is prepared in compliance with Law No. 31/1990 republished as subsequently amended, with OUG no. 109/2011 regarding the corporate governance of public companies as subsequently amended and with the Administration Contracts concluded between the administrators and the Company.

2. ANALYSIS OF THE FINANCIAL STATEMENTS

The financial information presented in the current report are based on the interim individual condensed unaudited financial statements for the period 1.01.2014 – 30.06.2014 (the first semester of 2014), prepared in accordance with OMFP 1286/2012 regarding the approval of the accounting regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are traded on a regulated market and related amendments, based on the International Accounting Standard 34 – “Interim Financial Reporting”.

The current report is accompanied by:

- The Individual interim condensed unaudited financial statements as at and for the period of 6 months ended at 30.06.2014 (the appendixes include excerpts from these financial statements)
- The Consolidated interim condensed reviewed financial statement as at and for the period of 6 months ended at 30.06.2014.

2.1. Statement of assets, liabilities and shareholder’s equity as at 30.06.2014

The statement of assets, liabilities and shareholder’s equity as at 30.06.2014 is presented in **Appendix 1**.

At 30.06.2014, the trade receivables and other receivables are as follows:

Trade receivables	91.195.905
Trade receivables allowance	14.777.238)
Other receivables	66.882.126
Other receivables allowance	(2.500.647)
Taxes	<u>23.971.290</u>
Total	164.771.436

Trade receivables consist of the amounts owed to the company by its clients, beneficiaries of electricity sold both on regulated market and on free market.

Out of the total trade receivables (customers), about 84% represents current, not due receivables and 16% represents doubtful receivables, for which SNN has recognised an allowance. In the first semester of 2014, SNN recovered thereceivable from Hidroelectrica SA in the amount of 11.249.674 lei. At 30 June 2014, “Other receivables” include the remaining amount to be recovered from Hidroelectrica, respectively 35.046.775 lei. Management of SNN estimates that this receivable will be collected, due to the fact that Hidroelectrica has respected up to present the rescheduling agreement signed in June 2013. The “Other receivables” position includes interest receivable not due in the amount of 2.408.553 lei.

The “Taxes” category included the VAT to be recovered (17.596.572 lei) and the VAT (6.374.718 lei).

At 30.06.2014, the current liabilities are as follows:

Account payables and other liabilities	223.542.766
Short term deferred income	29.840.654
Current portion of long term borrowings	<u>203.282.314</u>
Total	456.665.734

Borrowings represents the short-term portion of the long term loans from the external credit institutions for the completion and commissioning of the Cernavoda NPP's Unit 2, as follows:

- Instalments in the amount of 201.244.218 lei;
- Interest in the amount of 2.038.096 lei.

The "Account payables and other liabilities" position includes the suppliers related to the the operation activity (136.546.678 lei) and the suppliers of fixed assets (18.571.745 lei). The "Account payables and other liabilities" position also includes salaries and related debts, for the month of June 2014, that were paid in the following month, within the legal term.

At 30.06.2014, the long-term borrowings, net of transaction costs are as follows:

Loans from external banks	1.718.532.922
<u>Loans from domestic banks</u>	<u>25.963.838</u>
	1.744.496.760
<u>Less current portion of long term borrowings</u>	<u>(201.244.218)</u>
Total long term borrowings	1.543.252.542

Long-term borrowings at 30.06.2014 represent the external loans granted by Societe Generale (30 June 2014: 860.504.153 lei) and EURATOM (30 June 2014: 914.689.500 lei) for the completion and commissioning of the Cernavoda NPP's Unit 2, as well as the loan contracted through BCR for SNN by the Ministry of Public Finances (25.963.838 lei).

The amount due at 30.06.2014 for the loan granted by BCR was fully paid during July 2014, on term.

The financial situation of SNN for the first semester of 2014 allowed the company to pay on term the external loans, without resorting to the state guarantee for these loans.

2.2. Profit and loss account for the period ended as at 30.06.2014

The profit and loss account for the period ended at 30.06.2014 is presented in Appendix 2. The company has the following structure of revenues and expenses for the first semester of 2014 (lei):

Operating revenues	853.940.087
Operating expenses	826.696.802
Operating result	27.243.285
Finance income	78.804.667
Finance costs	36.091.836
Net finance income	42.712.831
Total revenues	932.744.754
Total expenses	862.788.638
Profit before income tax	69.956.116
Income tax expense	9.531.150
Net profit	60.424.966

The operating result, in the amount of 27.243.285 lei, decreased with 88% compared to the same period of 2013. The main causes are:

- The introduction since 1.01.2014 of a tax for special constructions which led to an increase of operating expenses of 44.699.285 lei in the first semester of 2014 compared to the same period of 2013; the recognition of the tax on special constructions in the regulated prices was postponed for the second semester of 2014, only for the portion corresponding to the second half of 2014;
- The decrease of the electricity sale prices on the free market;

- The positive influence in the financial result of the first semester of 2013 of income from penalties due to termination before term of energy sale contracts, that were not longer achieved in the first semester of 2014.

The company is exposed to currency risk for EUR, CAD and USD. In the first semester of 2014, the net currency exchange differences (income minus costs with the FX differences) positively influenced the gross result of the company, the net finance income being of 42.712.831 lei.

2.3. Budget execution as at 30.06.2014

The revenues and expenses budget (“BVC”) of SNN for the year 2014 was approved by the Decision of the Romanian Government number 413/2014 and by the Decision number 5/31.07.2014 of the Ordinary General Meeting of Shareholders. The company is monitored by the Ministry of Economy and by the Ministry of Public Finances regarding the compliance with the indicators, the performance objectives and criteria, respectively the compliance with the payroll level of revenues and expenses, the program to reduce arrears and outstanding receivables.

The execution of the BCV at 30.06.2014 is presented in Appendix 3 to the current report.

From the analysis of the execution of the revenues and expenses budget at 30.06.2014 (Appendix 3), it results that the operating income exceeded by 0,6% that the estimated amount and that the operating expenses were by 5,7% below the the budgeted level.

2. OPERATIONAL ACTIVITIES

3.1. Electric power generation

In the first semester of 2014, the two units of Cernavoda NPP produced 5.591.208 MWh (gross), out of which 5.145.691 MWh were delivered to the National Power System; the difference of 446 thousand MWh, represents the units’ own consumption during operation. The internal technological consumption cumulated in the first semester of 2014 was of 7,82%.

The power generation program approved by SNN Board of Directors for the year 2014, which provided for the first semester of 2014 the production and delivery of 4.985.139 MWh, was achieved with 103,22% at the end of June 2014.

The gross capacity factors, recorded by the Cernavoda NPP’s Units in the 1st semester of 2014 and cumulatively, from in services (Unit 1 - 2nd December 1996 and Unit 2 - 1st November 2007) until 30 June 2014 were:

	1 January – 30 June 2014	Since in service
Unit 1	83,19%	90,13%
Unit 2	100,05%	94,36%

The lower capacity factor of Unit 1 is due to the biannual planned shutdown for revisions during the first semester of 2014, which took place between May 10th – June 8th 2014. In the first quarter of 2014, there were no unplanned shutdowns at Cernavoda NPP.

In the first semester of 2014, the quantity of energy produced and delivered by Cernavoda NPP was lower by 1,1% in comparison with the same period of 2013. The difference is due to the planned shutdown, which took place in 2014, with a duration of 29,7 days at Unit 1, and 24 days at Unit 2 in 2013.

3.2. Electricity sales

The following electricity transactions results were recorded in the first semester of 2014:

- The amount of electricity sold on the basis of regulated contracts, contracts concluded on the Centralized Market for Bilateral Contracts (CMBC) and on the spot market (the Day Ahead Market – DAM and the Same Day Market – SDM), plus the energy supplied to the consumption of the Transelectrica station of 400 Kv in Cernavoda is of 5.181.064 MWh (increase by 1,7% in comparison to the electricity sale programmed amount of 5.094.955 MWh)
- The income resulted from the electricity market (including TG) is of 832.615.819 lei (increase with 1,86% by comparison with the income estimated in the program for the first semester of 2014, but lower with 10,3% by comparison to the results from the same period of 2013).

The difference between the electricity sold and the electricity delivered by Cernavoda NPP represents the electricity purchased during the planned shutdown periods in order to fully cover the contractual obligations and the electricity compensated on the Balancing Market, in case of negative deviations from the daily forecasted production.

The reference program takes into account the quantities and values on the basis of which the Budget of Revenues and Expenses for 2014 approved by HG 413/20.05.2014, was established.

The average weighted sale price, for the energy sold on regulated contracts, on CMBC contracts and respectively on DAM contracts, in the first semester of 2014, is of 160,59 lei/MWh (including TG) while the average weighted sale price recorded in the first semester of 2013 was of 175,86 lei/MWh (including TG).

The electricity trade in the first semester of 2014, was carried out in a framework of relatively limited price variations on the wholesale energy market – both DAM, as well as CMBC. A significant difference between the prices on CMBC and those on DAM was maintained; despite the specific volatility of prices on DAM, they were, on an average basis, much lower than the prices on the Centralized Market for Bilateral Contracts. The volume on transactions on DAM was around 40% of the total energy consumption in Romania. In the second half of the first semester, a certain increase in prices compared to the previous year was noticed, both on DAM, as well as on CMBC; this increase was caused by the slight increase in consumption, which in the second quarter relapsed and exceeded by 0,11% the level of consumption in 2013, and by the increase in export of energy which determined an increase in production by 9.15% higher than the level of production in the first semester of 2013.

SNN sold energy, similar to the previous period, on the basis of regulated contracts, contracts concluded on the competitive market – awarded on CMBC, plus one contract negotiated on the competitive market with Transelectrica (contract number 29/2000 for the consumption of the 400 Kv station belonging to Transelectrica)- as well as through transactions on the spot market.

The energy sold on the basis of regulated contracts was in accordance with the decision of ANRE number 3906/2013, which established, at the same time, the regulated price for SNN in 2014, at the average value of 145,88 lei/MWh; in case of the electricity sold on regulated market, the regulated tariff TG for the introduction in the transport system of 10.02 lei/MWh is added (out of the amount of the TG tariff, the electricity transportation fee that SNN pays to Transelectrica is ensured). By comparison to 2013, ANRE reduced the regulated quantities from about 50% to about 35% of the total plan of electricity production of Cernavoda NPP and increased the regulated price by 2,7% in the first semester of 2014.

Out of the production of Cernavoda NPP in the first semester of 2014, a quota of 35.39% was delivered on the basis of regulated contracts.

The amount of energy sold on the competitive market (CMBC) represented 48,58% of the total sold electricity in the first semester of 2014. . The average sale price for contracts concluded on CMBC in the first semester of 2014 was of 170,08 lei /MWh, recording a decrease of over 21% in comparison with the average price for contracts on CMBC in the first semester of 2013, of 216.10 lei/MWh.

In the first semester of 2014, SNN carried out 74 electricity sale contracts, as follows:

- 6 regulated contracts (with addendums concluded for 2014)
- 51 contracts concluded in PCCB, for periods between 3-24 months, but mainly for periods of 3-6 months;
- 16 contracts concluded on CMBC NC (out of which 4 contracts for the first quarter of 2014 and 12 contracts for a period of 1 week)
- 1 supply contract (with addendum concluded for 2014).

In the first semester of 2014, the quantity sold on DAM, represents 16,27% of total sales compared to 12,33% registered in the first semester of 2013. The average electricity price on DAM achieved by SNN was of 142,44 lei/MWh, in comparison to 139,20 lei/MWh registered in the same period of 2013.

The amounts of energy sold in the first semester of 2014 and the related revenues distributed, by type of sale contracts are presented in the chart below:

SNN's electricity sales (quantities, prices and values) in the 1st semester 2014:

Sales by contract type	Quantity in MWh	% of total sales	Price	Amount (lei)
			(lei including TG/MWh)	
Regulated contracts	1.820.920	35,15	155,87	283.819.513
Sales on the free market (CMBC and DAM contracts) out of which:	3.360.144	64,85	163,14	548.185.944
- sales on CMBC contracts	2.517.059	48,58	170,08	428.100.434
- sales on DAM contracts	843.085	16,27	142,44	120.085.510
Revenues from the electricity surplus (positive imbalance) sold on the Balancing Market				610.362
Total	5.181.064	100		832.615.819

In terms of revenues from electricity sold, in the first semester of 2014, there were no significant delays from deadlines established in the contracts.

Starting July 1st 2014, the TG fee charged by Transelectrica for the Dobrogea region increased from 10,02 lei/MWh to 10,32 lei/MWh; at the same time, starting with the second quarter of 2014, the price on the regulated market increased from 145,80 lei/MWh to 154,07 lei/MWh (without TG).

3.3. Expenses on electricity market

In the first semester of 2014, the total estimated value of SNN's energy expenses is of 63.203.751 lei.

This amount includes the fees for introducing the electricity in the transport system (TG – regulated tariff payable to Transelectrica), the fees for the transactions performed on OPCOM as well as certain expenses in the amount of 2,364,664 for the purchase of electricity on DAM-PI executed in order to fully cover the contractual obligations during the planned shutdown of Unit 1. An amount of 17.166 MWh was purchased at an average price of 137,75 lei/MWh (in May and June, the contracted electricity sale price was of 163 lei/MWh).

In the first semester of 2014, the expenses on the Balancing Market amounted to approximately 8.680.029 lei. This amount represents the value of the electricity received from the Balancing Market for compensating the negative imbalances which occurred due to the difference between the quantities of energy effectively delivered and the quantities notified in accordance with the daily forecast for each time frame.

Taking into account the revenues and expenses achieved on the energy market, including the Balancing Market, it results that in the first semester of 2014, SNN obtained a gross net result of 769.412.068 lei

(revenues minus expenses on the energy market) and an actual price of 149,53 lei/MWh. The achieved average actual price was determined by dividing the gross result on the energy market to the quantity of energy produced and delivered by the units in Cernavoda.

A comparison of the significant indicators achieved in the 1st semester of 2014 and those recorded in the same period of 2013 is presented below, highlighting the percentage variations.

Indicators	S I 2014	SI 2013	Variation %
Electricity produced and delivered by SNN's production units, MWh	5.145.691	5.204.762	-1,1
Electricity sold by SNN (contracts and DAM), MWh	5.181.064	5.275.859	-1,8
Electricity sales revenues, lei	832.615.819	928.458.185	-10,3
Gross result (revenues minus expenses) on the Electricity Market, lei	769.412.068	856.464.552	-10,2
Actual net price, lei/MWh	149,53	162,55	-9,1

3.4. Investment program for the first semester of 2014

The total value of the investment program for the year 2014 is of 341,580 thousand lei.

The structure of the investment program is presented in the chart below:

- thousand lei -

No.	Organizational structure	Ongoing investments	New investments	Investment in assets (modernizations)	Equipments	Total	Completion degree at 30.06.2014 (%)
1	SNN Executive	43.398	25.225	-	810	69.433	26,2
2	CNE Cernavoda	189.105	20.131	10.030	34.489	253.754	25
3	FCN Pitesti	1.682	1.951	9.740	5.020	18.393	6,9
	TOTAL					341.580	24,3

The completion level of the investment program as at and for the period ended at 30.06.2014 is of 24,3%, registering a drop realized in the volume of investments compared to June 2013, when the percentage of completion was of 31,6%.

The compared situation of investments (value and percentages) for the years 2014 and 2013 is presented in the chart below:

thousand lei -

Year	Value of the investment program	Achieved in the second quarter	Completion stage for the second quarter of 2014 (%)	Achieved in the first semester	Completion stage at 30.06.2014 (%)
2014	341.580	40.898	12,0	82.942	24,3
2013	320.562	61.011	19,0	101.373	31,6

Analysis of the completion level of the investment program as at 30.06.2014**SNN Executive**

The completion stage at the level of SNN Head Office in the first semester of 2014 is of 26,2% and was influenced mainly by the payment of the buyout price of the shares of ENEL and Arcelor Mittal Galati (17.947.585 lei), the assessment services for the equipments related to Cernavoda NPP Units 3 and 4 – The Caladria Assembly and the Equipment Airlock, the services for the completion of the support documentation in order to obtain the urban planning certificate for Units 3 and 4.

Cernavoda NPP Branch

The investment program of the Cernavoda NPP for the year 2014 amounts to 253.754 thousand lei. The completion stage of the investment programme at the end of the first semester of 2014 is of 25%.

Regarding the major investment objectives such as PJ-05-016 Intermediate Spent Fuel Storage Facility including SICA U # 2, PJ-04-001 Modernization and expansion of the physical protection system, PJ-11-006 Improvement of the Cernavoda NPP's response, namely of the nuclear security functions for events outside of the design base as a consequence of the nuclear accident that occurred at the Fukushima nuclear power plant, their total value provided in the investment program of SNN for the year 2014 is of 83.863 thousand lei.

The completion stage for the major investment objectives at the end of the second quarter of 2014 compared to the planned value of 34,4%, is presented in the table below:

- thousand lei -

Project code	Project name/ Investment objective	2014		
		Planned BVC 2014	Achieved at 30.06.2014	Completion stage 30.06.2014 (%)
PJ-05-016	Intermediate storage of spent fuel (including SICA U2)	30.752	15.588	50,7%
PJ-04-001	Upgrading and expansion of the physical protection system	32.963	7.480	22,7%
PJ-11-006	Improvement of the Cernavoda NPP's response, namely the improvement of the nuclear safety functions in case of events outside the design base as a consequence of the nuclear accident that occurred at the Fukushima 1 Nuclear Power Plant, Japan	20.148	5.809	28,8%
	TOTAL	83.863	28.877	34,4%

Considering article 4 from the administration contracts concluded between the administrators and the company, which provides that, the performance criteria and objectives will be „updated annually, in compliance with the provisions of the budget for expenses and revenues”, by the Decision number 5/31.07.2014 of the Ordinary General Meeting of Shareholders of SNN, item 3, approved the appendix 1.1 and appendix 1 to the administration contracts, regarding the performance indicators for 2014. According to the updated appendix 1.1, the completion level of the annual investment plan cumulated since the beginning of the year (indicator number 6), related to the second quarter 2014, is of 25%.

As a consequence, a completion level of 34,4%, by comparison to the established target of 25% for the second quarter, represents a completion percentage of 137,7%, which corresponds to an achievement degree of 100% for indicator number 6 from the administration contract.

The activities carried out in the first semester of 2014, within the Project PJ-05-016 Intermediate storage of spent fuel (including SICA U2) consisted in construction and installation works on Module 7 of DICA. The physical protection works related to DICA Module 6 as well as the construction and installation works on the Spent Fuel Loading Station (SICA) U2 were completed.

Within the Project PJ-04-001 Upgrading and expansion of the physical protection system, in the first semester of 2014, works were carried out on the physical protection system of Cernavoda NPP and for the Project PJ-11-006 Improvement of the Cernavoda NPP's response, namely the improvement of the nuclear safety functions in case of events outside the design base as a consequence of the nuclear accident that occurred at the Fukushima 1 Nuclear Power Plant, Japan, works on the emergency filtered depressurization system of Units 1 and 2 containment buildings, were completed and received.

FCN Pitesti Branch

The implementation degree of the FCN investment programme registered a slow progress in comparison with the first quarter of 2014, and is of 6,9% at 30.06.2014, the main achievements being listed below in terms of the ongoing investments:

- ▶ “Upgrading of the fuel bundle manufacturing line in order to optimise the manufacturing flow and to improve the quality of the finished product” - implementation degree 6,5%
- ▶ “Elevator for persons” - implementation degree 100%, namely under chapter “other investment expenses” – completion degree 12,8%.

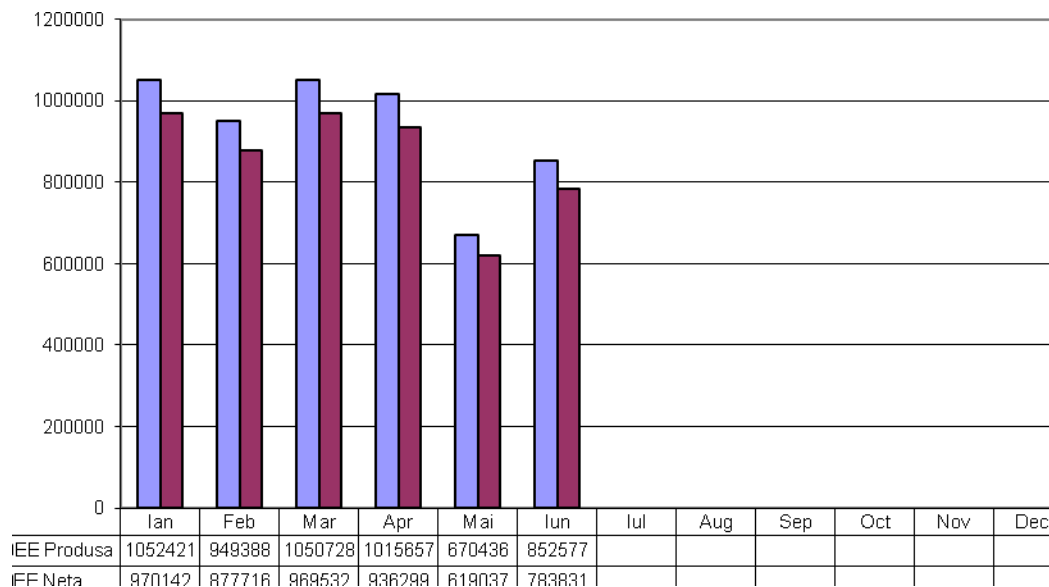
3.5. The activity of Cernavoda NPP Branch

The operation of Cernavoda NPP was performed without events with impact on nuclear safety, own personnel, population or environment. The relationship with the regulatory authorities respected the requirements and authorization conditions.

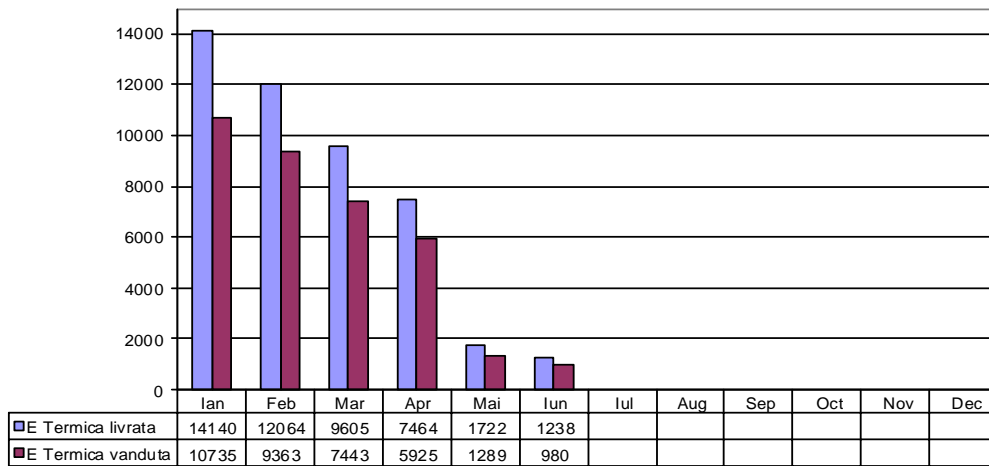
In the first semester of 2014, no operation event exceeding level 1 on the international scale of nuclear events (INES) was recorded, related to the degradation of the in depth barriers, with impact on site or off site (indicator 1).

On May 10th 2014, Unit 1 entered planned shutdown. The duration of the shutdown was of 29,7 days, the reconnection of Unit 1 to the national power grid taking place on June 8th 2014. Under these conditions, the initial duration of the planned shutdown of 34 days was respected, thus producing an additional quantity of energy of 46.800 MWh.

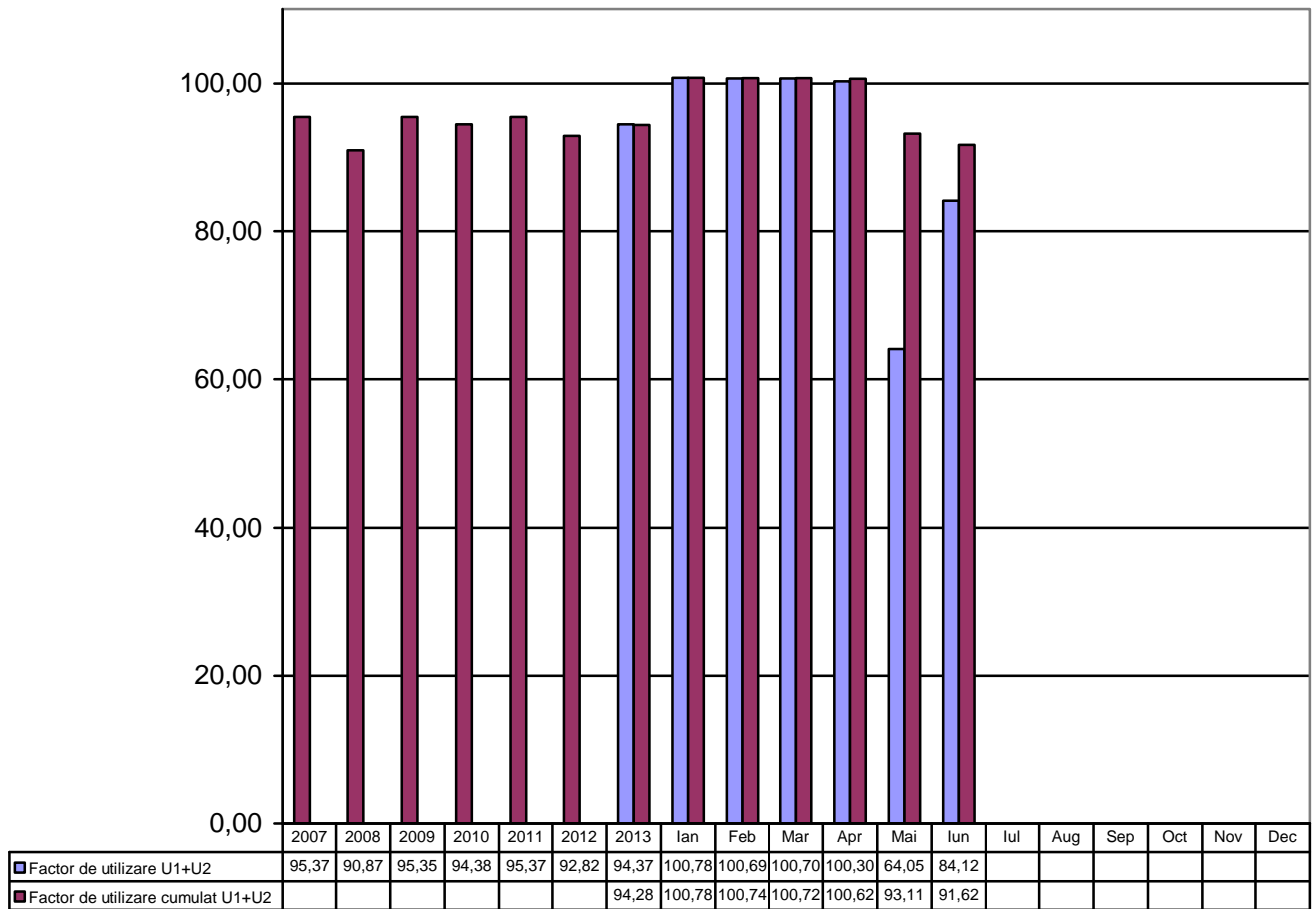
Produced nuclear power/net U1 + U2 (MWh)
(Produced nuclear power: 5.591.208 MWh/ Net nuclear power: 5.156.557 MWh)
(2014 cumulated internal technological consumption: 7,82%)



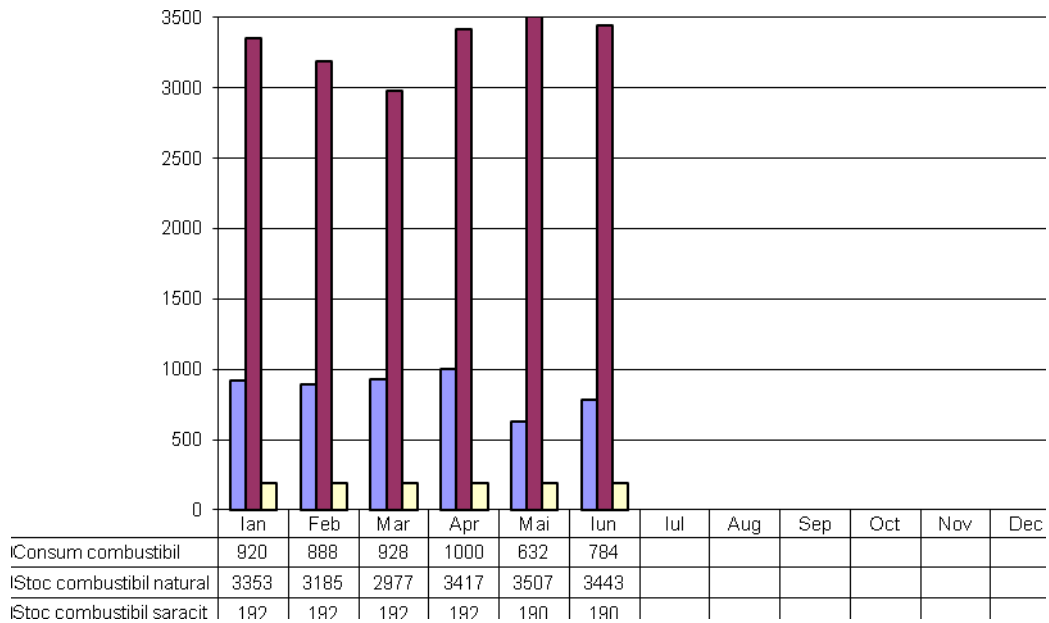
Thermal power delivered to the district heating system/sold (Gcal)
(Delivered thermal power: 46.232 Gcal/ Sold thermal power: 35.735 Gcal)



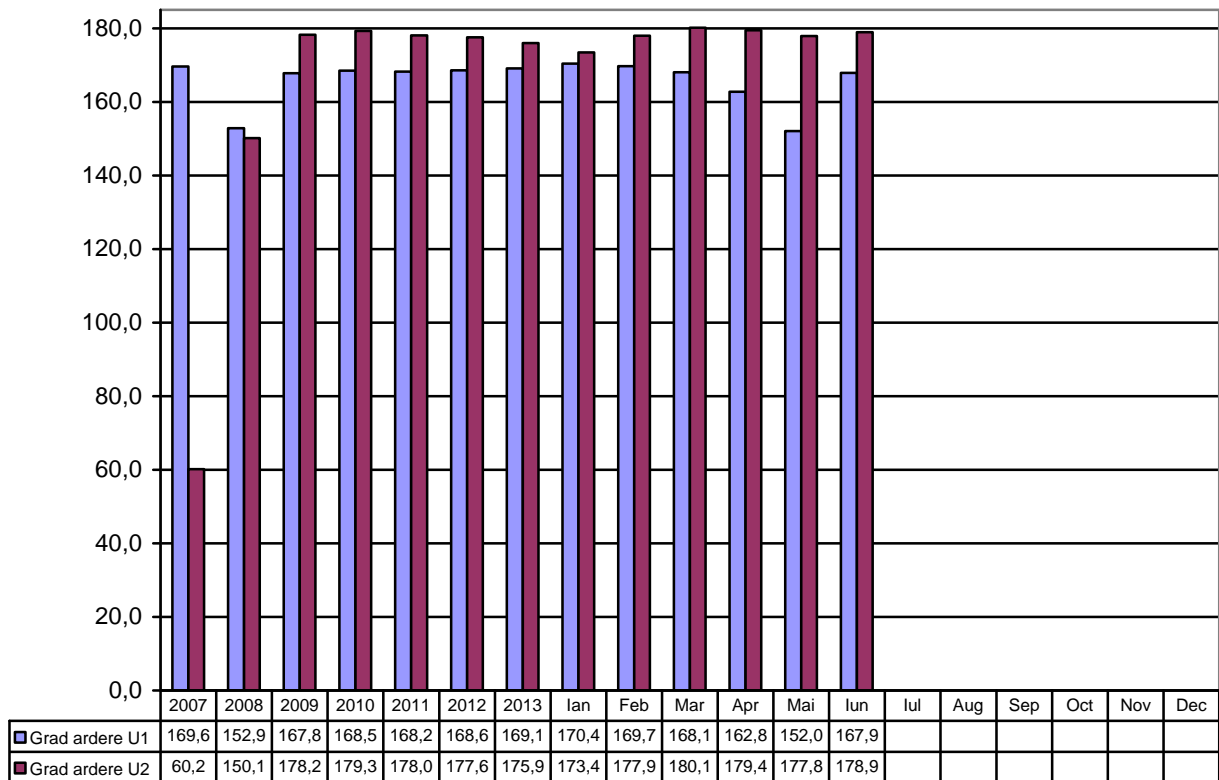
Capacity factor U1 + U2 (%)
(Cumulated 2014: 91,62%)



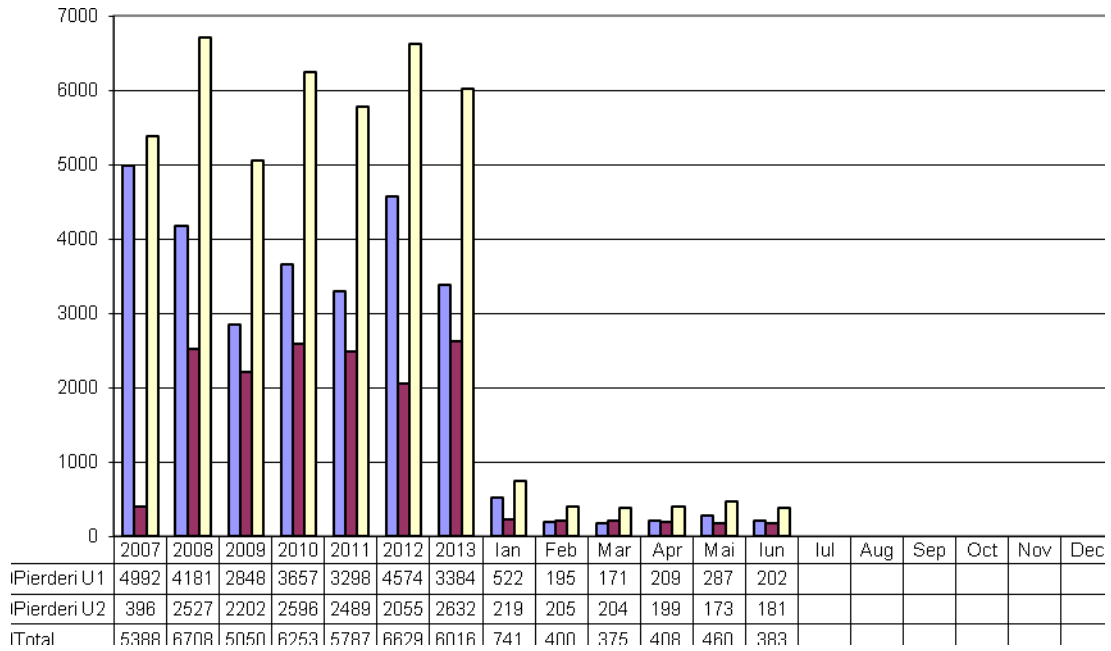
**U1 + U2 fuel consumption (bundles)/ Stock of fuel (bundles)
(Cumulated consumption in the first semester 2014: 5.152)**



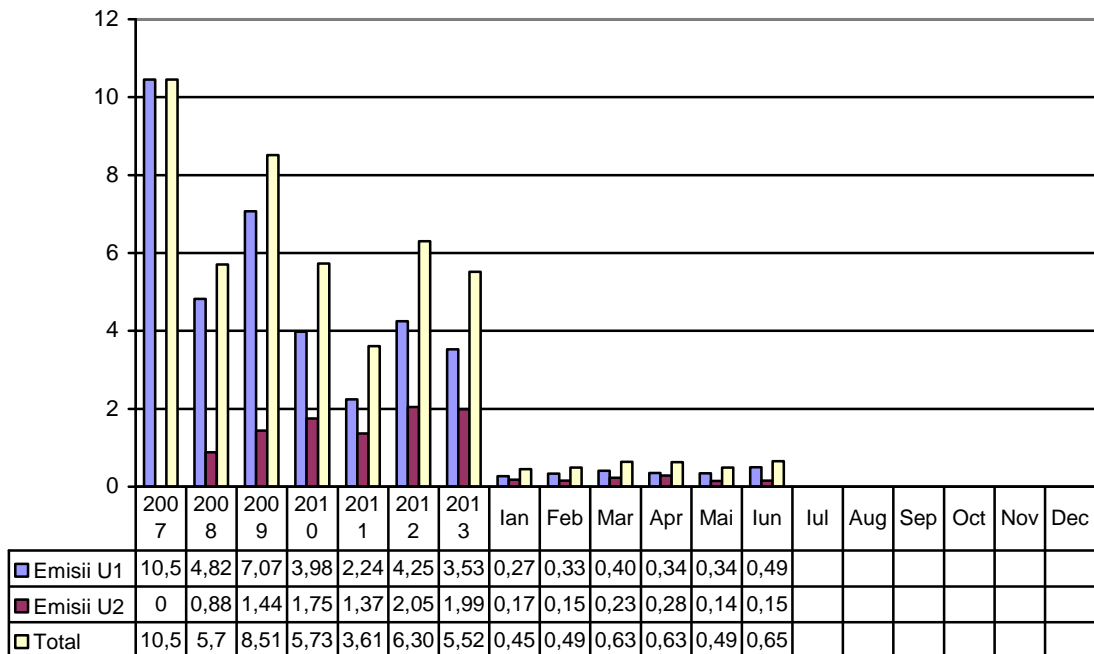
**Nuclear fuel burn up factor (MWh/ KgU)
(Cumulated 2014: 172,08 / Project provided: 156,00)**



Heavy water losses U1+U2 (KG)
(Cumulated in the first semester of 2014: 2767 / Estimated for 2014: 6800)



U1 + U2 radioactive emissions to the environment (µSv)
(Total 2014: 3,356/ Annual limit: 18,00)



3.5. The activity of FCN Pitesti Branch

During the first semester of 2014, FCN Pitesti produced 5,833 nuclear fuel bundles, as per the production plan. Thus, in the first quarter of 2014, a total of 3,254 nuclear fuel bundles were controlled and accepted and in the second quarter of 2014, a number of 2,579 nuclear fuel bundles were controlled and accepted, complying with all the specifications.

During January – June 2014, FCN Pitesti delivered an amount of 5,040 nuclear fuel bundles to Cernavoda NPP, respecting the agreed delivery schedule: 2,160 nuclear fuel bundles were delivered in the first quarter and respectively, 2,880 nuclear fuel bundles were delivered in the second quarter.

The price of sintered uranium UO₂ powder increased from 441,83 lei/kg in the first semester of 2013 to 460 lei/kg in the first quarter of 2014 and 475 lei/kg in the second quarter of 2014. The current acquisition price of 475 lei/kg is lower than the average acquisition price in 2013.

4. OTHER SIGNIFICANT ASPECTS

4.1 The purchase of uranium sintered powder

During the first part of January 2014, The Board of Directors (BoD) of SNN approved the results of the negotiations and the signing of the supply contract for UO₂ sintered powder with the National Uranium Company (CNU) at an acquisition price for the UO₂ sintered powder of 460 lei/kg and a quantity of 49 tons in 4 months.

In March 2014, on the basis of the resolution of the BoD of SNN, the negotiations with CNU were restarted in order to establish the contract clauses valid after 2014. At the end of March 2014, the results of the negotiations were subjected to the approval of the BoD. The new contract for the supply of UO₂ sintered powder was signed on 09.04.2014, under the following conditions: (i) the acquisition price for the UO₂ sintered powder: 475 lei/kg U in UO₂, fixed price for the first year; (ii) the duration of the contract: 3 years; (iii) the purchased amount: 660 tons U in UO₂.

4.2 Cernavoda NPP Units 3 and 4 Projects

Energonuclear S.A (EN) has the mission to develop Cernavoda NPP Units 3 and 4 Project. In 2013, SNN held 84,65% of the share capital of EN, the other two investors being ArcelorMittal with 6,2% and Enel with 9,15%. In December 2013, ArcelorMittal and Enel notified SNN on their intention to exercise their put option and sell their shares in EN. Thus, in January 2014, SNN purchased the shares of the two minority shareholders, thus reaching a participation of 100% in EN.

On November 25th 2013, Nuclearelectrica signed a Letter of Intent with China General Nuclear Power Corporation (CGN), through which CGN has expressed its interest to become a major shareholder of Energonuclear, provided that it is satisfied with the investment conditions. The Letter of Intent was signed for a period of 180 days. On April 25th 2014, Nuclearelectrica and CGN signed an addendum to the initial Letter of Intent which stated that the parties decide to extend the validity of the Letter of Intent until December 31st 2014 because necessary operations were to expected to last longer than it was initially estimated.

The support of the Romanian Government for the project developed by Energonuclear is reinforced by the two Memorandum approved on November 2th 2013, namely the Memorandum of Understanding signed between the Romanian Ministry of Economy (Department for Energy) and the National Energy Administration from the People's Republic of China regarding the cooperation on nuclear project, as well as the Memorandum on: Measures regarding the cooperation with the People's Republic of China in the field of the peaceful use of nuclear power, especially for the completion of Cernavoda NPP Units 3 and 4.

On July 2nd 2014, the Romanian Government approved the Memorandum on “The Approval of a strategy for further actions regarding Cernavoda NPP Units 3 and 4 Project”. At the same time, on July 31st 2014, the

Romanian Government approved the Memorandum on “The Approval of the strategy on further development of Cernavoda Units 3 and 4 by organising a selection procedure for investors”.

On May 22, 2014, EnergoNuclear cancelled the public procurement procedure for the completion contract for Units 3 and 4, because the only offer that was submitted was considered unacceptable and non compliant, mainly due to (1) the price of the final offer which exceeded by more than 10% the estimated value of the contract of 3,2 billion Euro provided in the participation announcement and (ii) due to the non conformity of the bid to the requirements imposed in the bid specification.

4.3. Major litigations

The situation of major litigations is presented in **Appendix 4**.

4.4 The status of activities related to the transfer of heavy water to the state reserve

With the purpose of applying the provisions of OUG 45/2013, regarding the free of charge transfer to the National State Reserve and Special Problems Administration (ANRSPS) of the quantity of 786.715,78 kg heavy water financed by SNN during 2006-2011, with exclusive state budget financial support, the Commission established by the decision of the General Manager of SNN number 250/03.10.2013 met with the representatives of ANRSPS – Unit 515 and with the representatives of RAAN-ROMAG PROD in October and November 2013, in order to clarify aspects related to the preparation of the transfer documentation for the heavy water stipulated by OUG 56/2013.

In February 2014, CNCAN issued a transfer authorization for the quantity of 786.715,78 kg heavy water financed from the state budget.

During the joint discussion sessions which took place between 9-11.04.2014, SNN together with the representatives of RAAN – ROMAG PROD and those of ANRSPS – Unit 515 prepared the support documentation for the transfer operations related to the separation of the factual heavy water, that was sent to the depository RAAN-ROMAG PROD with the prior approval of ANRSPS – Unit 515 in order to start the factual separation of the heavy water.

During the heavy water factual separation sessions, RAAN – ROMAG PROD identified a series of non conformities at certain tanks containing heavy water, which lead to the reprocessing of the heavy water contained in those tanks in order to maintain the quality parameters of the heavy water imposed by the bid specification.

The factual separation activities started in May 2014 and are currently ongoing. The estimated completion time for the factual separation and the transfer of the heavy water purchased from state budget sources by SNN to ANRPS is estimated at the end of the 3rd quarter 2014.

3. THE MAIN ECONOMICAL AND FINANCIAL INDICATORS AT 30.06.2014

The performance of the company is reflected in the achievement of the main economical and financial indicators, as follows:

Indicator ^{**)}	Formula	M.U.	Result at 30.06.2014
1. The current liquidity ratio	Current assets/ Current liabilities	x	1,67
2. The indebtedness ratio			
2.1. Debt to capital ratio (1)	Long term liabilities/ Shareholder's equity x 100	%	20,8%
2.1. Debt to capital ratio (2)	Long term liabilities/ Capital employed x 100	%	17,2%
3. Receivables turnover ratio	Average accounts receivable/ Turnover x 180	days	17
4. Non-current assets turnover *)	Turnover/ Non-current assets	x	0,21

*)Assets turnover is calculated by annualising the half year sales (360 days/180 days)

***) on the basis of the interim individual condensed financial statements

4. DEGREE OF ACCOMPLISHMENT OF PERFORMANCE INDICATORS

The performance indicators and criteria included in the mandate contracts of the administrators and directors were established at the middle of 2013 on the basis of the local applicable accounting standards. Starting with the financial year 2013, SNN applied the International Financial Reporting Standards (IFRS), approved by the European Union.

Following the approval of the Budget for revenues and expenses of SNN by the Government's Decision number 413/20.05.2014, the Board of Directors of SNN, through the Resolution no. 71/02.06.0214, endorsed the update of Appendix 1.1. from the administration contracts concluded between the administrators and the company, comprising the update of the level of the performance criteria and indicators and their quarterly breakdown for the year 2014, in compliance with the Budget of revenues and expenses for 2014, and respectively, the update of Appendix 1 from the administration contracts concluded between the administrators and the company comprising the update of the level of performance indicators and criteria for the year 2014.

The performance indicators established in the administration contracts of the members of the Board of Directors were achieved in a degree of over 100% as shown in Appendix 5.

Regarding the level of achievement of the annual investment plan, as per chart 37 (note: from the administration plan) and the annual budgets, only the investments mentioned in chart 37 from the administration plan are taken into account when determining the degree of achievement of the annual investment plan and the level of achievement is limited to 100% (achieved vs planned).

Administration/Mandate contracts	Level of achievement of performance indicators and criteria
Board of Directors	155,55%
General Manager	122,29%
Manager of Cernavoda NPP	139,81%
Financial Manager	122,29%

Board of Directors
Alexandru Sandulescu
President

Appendix 1 – Financial position as at 30.06.2014

	30 June 2014	31 December 2013
Assets		
Non-current assets		
Property plant and equipment	7.905.390.501	8.057.978.024
Intangible assets	94.803.759	97.856.793
Financial investments	141.686.201	123.718.616
Total non-current assets	8.141.880.461	8.279.553.433
Current assets		
Inventories	385.178.262	386.303.320
Income tax receivable	11.016.999	-
Trade and other receivables	164.771.436	197.044.598
Prepayments	20.164.041	10.865.840
Bank deposits	31.442.715	704.525.705
Cash and cash equivalents	1.072.342.267	739.280.253
Subtotal, current assets	1.684.915.720	2.038.019.716
Assets to be transferred	1.382.640.479	1.382.640.479
Total current assets	3.067.556.199	3.420.660.195
Total assets	11.209.436.660	11.700.213.628
Equity and liability		
Equity		
Share capital, out of which:	3.013.330.303	3.013.330.303
<i>Subscribed and paid in share capital</i>	<i>2.817.827.560</i>	<i>2.817.827.560</i>
<i>Inflation adjustments to share capital</i>	<i>195.502.743</i>	<i>195.502.743</i>
Share premium	31.474.149	31.474.149
Prepaid share reserve	217.855.742	215.930.237
Revaluation reserve	325.132.486	337.713.566
Retained earnings	3.832.038.007	4.099.989.096
Total shareholder's equity	7.419.830.687	7.698.437.351
Liabilities		
Non-current liabilities		
Long term borrowings	1.543.252.542	1.675.427.622
Deferred income	179.308.270	186.480.601
Deferred tax liability	201.531.421	208.285.414
Employee benefits	26.207.527	26.207.527
Total non-current liabilities	1.950.299.760	2.096.401.164
Current liabilities		
Accounts payable and other liabilities	223.542.766	242.958.936
Current tax liability	-	34.982.603
Deferred income	29.840.654	32.007.582
Current portion of long term borrowings	203.282.314	212.785.513
Subtotal current liabilities	456.665.734	522.734.634
Liability related to assets to be transferred	1.382.640.479	1.382.640.479
Total current liabilities	1.839.306.213	1.905.375.113
Total liabilities	3.789.605.973	4.001.776.277
Total equity and liabilities	11.209.436.660	11.700.213.628

Appendix 2 – Income statement as at 30.06.2014

	01 April- 30 June 2014	01 April - 30 June 2013	01 January - 30 June 2014	01 January - 30 June 2013
Revenues				
Sales of electricity	349.788.881	392.340.769	783.093.781	879.038.813
Electricity transmission revenues	23.326.412	23.471.748	51.554.378	50.377.375
Total revenues	373.115.293	415.812.517	834.648.159	929.416.188
Other income	(1.101.289)	24.013.470	19.291.928	54.375.194
Operation expenses				
Depreciation and amortisation	(112.157.355)	(108.600.877)	(222.458.983)	(207.084.607)
Personnel expenses	(72.709.843)	(72.506.923)	(141.224.149)	(141.550.743)
Cost of traded electricity	(7.340.696)	(7.444.904)	(10.920.688)	(21.592.067)
Repairs and maintenance	(62.439.570)	(50.712.023)	(75.594.275)	(72.088.523)
Electricity transmission expenses	(23.326.412)	(23.471.748)	(51.554.378)	(50.377.375)
Costs with spare parts	(15.940.758)	(13.734.691)	(21.375.664)	(16.910.661)
Cost of uranium fuel	(32.337.286)	(19.517.026)	(68.371.375)	(52.585.493)
Other operating expenses	(107.578.707)	(94.241.419)	(235.197.290)	(193.545.272)
Total operating expenses	(433.830.627)	(390.229.611)	(826.696.802)	(755.734.741)
Operating profit	(61.816.623)	49.596.376	27.243.285	228.056.641
Finance costs	(23.365.937)	(50.142.248)	(36.091.836)	(116.939.529)
Finance income	29.259.475	67.281.608	78.804.667	132.240.983
Net finance income	5.893.538	17.139.360	42.712.831	15.301.454
Profit before income tax	(55.923.085)	66.735.736	69.956.116	243.358.095
Income tax expense	14.533.146	(15.951.880)	(9.531.150)	(47.236.263)
Net profit for the period	(41.389.939)	50.783.856	60.424.966	196.121.832

Appendix 3 – Execution of the Budget of Revenues and Expenses at 30.06.2014

- thousand lei-

		INDICATORS	Row nr.	Budgeted 30.06.2014	Actual 30.06.2014	%
0	1	2	3	4	5	6=5/4
I.		TOTAL REVENUES (Row.1=Row.2+Row.5+Row.6)	1	889.075	931.955	104,8
	1	Operating revenues, out of which	2	848.075	853.150	100,6
	a)	Discounts, in accordance with legal provisions	3	-	-	-
	b)	Transfers, in accordance with legal provisions	4	-	-	-
	2	Finance revenues	5	41.000	78.805	192,2
	3	Extraordinary revenues	6	-	-	-
II		TOTAL EXPENSES (Row.7=Row.8+Row.20+Row.21)	7	909.647	861.999	94,8
	1	Operating expenses, out of which	8	876.113	825.907	94,3
	A.	Expenses for goods and services	9	390.998	352.845	90,2
	B.	Expenses with taxes, duties and similar payments	10	106.818	97.690	91,5
	C.	Personnel expenses, out of which	11	154.399	145.512	94,2
	C0	Personnel expenses (Rd.13+Rd.14)	12	110.954	104.754	94,4
	C1	Salaries	13	105.700	100.308	94,9
	C2	Bonuses	14	5.254	4.446	84,6
	C3	Other personnel costs, out of which	15	217	-	-
		Expenses with compensations for early release of personnel	16	-	-	-
	C4	Expenses related to the mandate contracts and other managing and control entities, commissions and committees	17	1.392	1.081	77,7
	C5	Social security expenses, special funds and other legal obligations	18	41.836	39.677	94,8
	D.	Other operating expenses	19	223.898	229.860	102,7
	2	Finance expenses	20	33.534	36.092	107,6
	3	Extraordinary expenses	21	-	-	-
III		GROSS RESULT (profit/loss)	22	(20.572)	69.956	-
IV		INCOME TAX	23	7.413	9.531	-
V		PROFIT AFTER INCOME TAX	24	(20.572)	60.425	-

Appendix 4 – Significant litigations as at 30.06.2014

No.	Parties	Court of law	File case	Value	Comments
1.	Debtor PROCONEX UNIVERSAL creditor: SNN	Constanta Court of Law The 2 nd civilian Division	3868/118/20 12	Simplified bankruptcy procedure. Preliminary accepted 96.695 Irrevocably accepted 3.478.554,4 lei	Court hearing to continue the procedure 8.09.2014
2.	plaintiff: SNN defendant:TINMA R IND S.A.	Bucharest Court of Law 6 th civilian Division Bucharest Court of Appeal The high court of cassation and justice The 2 nd civilian division	27406/3/201 2	1.649.537,89 lei (292.982,47 lei tariff + 33.826,62 lei legal interest +1.322.728,80 lei penalties) Admits in appeal a total of: 1.286.326,78 lei and legal expenses – 18.345,23 lei	Court hearing: Partially admits the file of petition. Obliges the defendant to pay the plaintiff the amount of 1.230.780,39 lei, representing delay penalties related to invoices issued based on contracts no..1547/20.11.2009 and no.1574/09.12.2009. Overrules the request for the rest of demands as ungrounded. Obliges the defendant to pay the plaintiff the amount of 16.423,80 lei, as trial expenses. Appeal in 15 days from the communication. Admits appeal. Partially changes the challenged ruling in the sense that it obliges the defendant to pay to the plaintiff the amount of 55.546,39 lei as delay penalties, as well the amount of 555,47 lei as trial expenses, to which the amounts established by the first Court of Law are added. Maintains the other dispositions of the challenged ruling. Obliges the defendant to pay to the plaintiff the amount of 1365,96 lei as appeal trial expenses. Appeal in 15 days from the communication. Admits the appeal of the plaintiff S.N. NUCLEARELECTRICA SA against the civil ruling no. 139 dated April 24, 2013, ruled by the Bucharest Court of Appeal-the 6th civilian division, which is overturned and resent to trial to the same court of appeal. Irrevocable. Pending for the Bucharest Court of Appeal deadline to be established for retrial.
3.	plaintiff: SNN defendant :PRIMARIA CERNAVODA	Bucharest Court of Law The 8th fiscal	33659/3/201 2	336.707,37 lei Trial expenses- lawyer fee SCPA Stoica&Asociatii	Partially admits the demand. In compliance with art. 274, paragraph 3 reported to art. 274, paragraph 1 of the Code of Civil Procedure,

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		administrative litigation division Medgidia			obliges the defendants to pay the amount of 50.000 lei to the plaintiff SN Nuclearelectrica S.A. , representing trial expenses-lawyer fee for the litigation having as object the cancellation of the Cernavoda Local Council resolution no. 101/29.10.2008 regarding the local tax on pollution and risk. The right to appeal in 30 days from the communication, petition that will be filed with the Medgidia Court. Ruled in public hearing, today 14.05.2014. Document: Resolution 765/2014 14.05.2014 The resolution has not been drafted.
4.	Creditor: SNN Debtor:Cet Energoterm Resita	Caras-Severin Court	2183/115/2010	bankruptcy 580.974,21 lei	Court hearing: 11.09.2014
5.	Creditor: SNN Debtor:Total Electric Oltenia	Valcea Court	1867/90/2010	insolvency 198.602,5 lei	Bucharest Court, the 6th division, file 17253/3/09 In compliance with art. 107, paragraph 1, letter A of Law 85/2006. Rules bankruptcy general procedure. Appoints ROViGO SPRL as judiciary liquidator. Court hearing:10.09.2014
6.	Creditor: SNN Debtor:Total Electric Oltenia	Valcea Court	1867/90/2010*	Creditor legal contest	Retrial on the merits of the case Court hearing: 22.10.2014
7.	debtor HIDROCORA SRL creditor SNN	Constanta Court Commercial Division	3260/118/2007	Bankruptcy VAT Debt amendment, collected according to ANAF's disposition 6.641,91 lei	Definitive consolidated table ; reorganization plan distributions. The 3rd tranche was paid 267,87 Court hearing on 06.10.2014 for the capitalization of the debtor's goods and the establishment of the distribution plan between the creditors. One more tranche of 267,87 lei to be paid to SNN
8.	Rotaru Ioan, Ispas Gheorghe, Irimie Traian Civil party SNN TESS civil responsible party	District 1 Penal Court	48031/299/2010	13.493.080,3 lei	Corruption accusation defendants-abuse of power. In compliance with art. 120 of the Penal Code of Procedure, complies with the following objectives of the accounting expertise, public procurement specialization: 1. – to be established if the negotiated prices and the amount paid by SNN to

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					<p>S.C. „TESS CONEX” S.A. were in accordance with the real value of the purchased products through the contracts that are the object of the accusation ;</p> <p>2. 2. – to be established if through closing and unfolding the contracts a prejudice was caused, and if the case be, to establish the person who caused the prejudice ;</p> <p>3. 3. – to establish the mechanism that caused the prejudice. Each objective of the expertise will be done separately according to each contract for which the defendants were sent to trial, with the express indication of the stage during which the prejudice was caused-during closing or execution of the contracts.</p> <p>Ruled in public hearing, today 19.04.2013. Public institutions accounting expert Banu Gh + 4 other party experts. The expertise that concludes that no prejudice was caused was deposited.</p> <p>Court hearing 20.08.2014, 10.00 Hrs to challenge the DNA expertise</p>
9.	creditor: SNN debtor: Eco Energy	Dambovit Court bankruptcy	7238/120/20 12 7238/120/20 12/	Bankruptcy Simplified procedure debt claim declaration 2.464.059,64 lei	Admits the debt claim in the preliminary table. Eco Energy, through special administrator, disputes the decision. Partially admits the legal dispute and rules the provisional registration of SNN and Transelectrica’s debt in the definitive table until solving the litigations pending before the courts regarding these debts. Court hearing 22.09.2014
10.	plaintiff: SNN defendant ECO Energy	Bucharest Court of Law 6th division Bucharest Court of Appeal	52814/3/201 1	-contract cancellation -compensation demands for cancellation in value of 2.403.397,17 lei	Overrules the appeal of the defendant ECO ENERGY S.R.L. through judiciary liquidator SCP AURORA INSOLVENCY against the civil ruling no. 422/2011, dated November 20, 2011, ruled by the Bucharest Court of Appeal as

					<p>ungrounded. Irrevocable. Retrial on the merits of the case Cancellation ruling. Admits the demand of the plaintiff SNN against the defendant SC Eco Energy SRL, in insolvency through judiciary liquidator SCP Aurora Insolvency and establishes the right cancellation of the contract no. 1171, dated 18.12.2008. Obliges the defendant to pay to the plaintiff the amount of 30.563,40 lei, as trial expenses. Appeal in 15 days from the communication. Ruled in public hearing, today 20.12.2013. Document: Decision 7374/2013 20.12.2013 It rules for the defendant to pay reimbursement in value of 2.403.397,17 lei and the petition of a new file 40950/3/2013, whose object is demands. Eco Energy filed an appeal.</p>
11.	plaintiff: SNN defendant ECO Energy	Bucharest Court The 6th civil division	40950/3/201 3 52814/3/201 1	Demands 2.403.397,17 lei	<p>Ruling on the merits of the case after separation: pleads for suspension of right-art. 36, insolvency law. Art. 36 of Law 85/2006 suspends trial. Appeal throughout the entire suspension period. Suspension 31.01.2014</p>
12.	plaintiff: SNN defendant: Cernavoda Town Hall	Medgidia Court	7344/256/20 13	Recovery of lawyer fee of 13.020 lei, file 5545/1/2011 – appeal for annulment by Cernavoda City Hall, overruled by the High Court of Cassation and Justice	<p>Admits the legal action and overrules SNN's demand regarding the trial expenses (756 lei) related to the present cause. Right to appeal in 30 days from the communication, appeal that will be filed with Medgidia Court Ruled in public hearing, today 28.04.2014.</p>
13.	plaintiff:SNN defendant:S.C.ENN ET GRUP SRL	Bucharest Court of Law The 6th division The New Code of Civil Procedure	19585/3/201 3	debit and penalties 1.142.898,52 lei 600.000 lei were paid, the rest to be paid, including trial expenses, is 618.924,02 lei	<p>Admits the request as it was formulated. Obliges the defendant to pay to the plaintiff the following amounts : 378.860,80 lei representing debit difference, 164.037,72 lei representing delay penalties calculated until 27.05.2013 and 54.701,72 lei representing delay penalties calculated for the period</p>

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					<p>28.05.2013-06.11.2013. Obliges the defendant to pay to the plaintiff the amount of 21.323,78 lei, as trial expenses. Appeal in 30 days from the communication. The appeal will be filed with the Bucharest Court of Law, the 6th Civil Division. Ruled in public hearing, today, November 11, 2013</p> <p>Document: Resolution 6528/2013 11.11.2013</p>
14.	<p>plaintiff:Electrica Furnizare defendant: SNN</p>	<p>District 1 Court Bucharest Court of Law The 6th division</p>	<p>26211/299/2013</p>	<p>Lawyer fee demands : 18.000 lei Admits 15.000 lawyer fee + 1016 lei partial stamp duty in compliance with the partial admittance of the legal action</p>	<p>Partially admits the request of Electrica Furnizare and obliges SNN to pay 15.000 lei trial expenses in file 47215/3/2009 and 1016 lei trial expenses in the current file. Appeal possibility. Document: Resolution 1715/2014 06.02.2014 Overrules the appeal as ungrounded. Definitive. Ruled in public hearing. Electrica Furnizare was paid 16.016 lei. As trial expenses.</p>
15.	<p>plaintiff:Transelectrica SA defendant: SNN</p>	<p>Bucharest Court of Law The 6th civil division Bucharest Court of Appeal</p>	<p>35455/3/2013</p>	<p>penalties 646.270,87 lei</p>	<p>Partially admits the legal action. Obliges the defendant to pay to the plaintiff the amount of 10,44 lei representing delay penalties calculated for the invoice 6108/04.10.2010, throughout 15.10.2010- 31.12.2010. Overrules the other demands of the plaintiff as prescribed. Obliges the defendant to pay to the plaintiff the amount of 1 Leu as trial expenses. Appeal in 30 days from the communication. The appeal will be filed with the Bucharest Court of Law, the 6th division. Ruled in public hearing, today, 13.05.2014. Document: Resolution 2359/2014 13.05.2014. Transelectrica filed an appeal. Court hearing to be established.</p>
16	<p>plaintiff: SNN defendant: Transelectrica</p>	<p>District 1 Court</p>	<p>8244/299/2014</p>	<p>40.494,41 lei legal interest for delayed payment of invoice</p>	<p>Court hearing to be established</p>
17.	<p>creditor: SNN debtor: RAAN</p>	<p>Mehedinti Court</p>	<p>9089/101/2013</p>	<p>Debt claim 7.828.405,48 lei In accordance to</p>	<p>SNN will recover the amount of 5.450.135,91 lei (69,62%) on a two year period, starting with the first</p>

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				the reorganization plan, SNN will receive 5.450.135,91 lei on a two year period.	semester of the next year. In compliance with 19, paragraph 2 and art. 11, letter d of Law 85/2006. Confirms Tudor & Asociații SPRL in quality of judiciary administrator of debtor RAAN, with a fixed fee of 30.000 Euro/month + VAT for the observation and judiciary reorganization period and a variable fee of 3% + VAT for the observation and judiciary reorganization period of the amounts distributed to the creditors, paid or compensated as approved by the General Meeting of Creditors on 14.02.2014. Court hearing: 9.10.2014
18.	plaintiff: SNN defendant Enol Grup SA	District 3 Court District 1 Court	25195/299/2014	121.369,03 lei legal interest as penalty to the cancellation compensation of the contract	Court hearing to be established
19.	plaintiff: SNN defendant: AXPO Energy Romania S.A.	District 1 Court	27072/299/2014	60.033,63 lei legal interest as penalty to the cancellation compensation of the contract	Court hearing to be established
20.	plaintiff : Dobrota Dumitru garnishee : SNN	Targu Jiu Court	4351/318/2014	700 lei	Admits the exception of the tardiness of formulating the dispute on appeal against enforcement. Overrules the appeal against enforcement as tardily formulated. Appeal possibility. Ruled in public hearing dated 20.06.2014. Document: Resolution 4111/2014 20.06.2014
21.	plaintiff : FP defendant : SNN	Bucharest Court of Law The 6th civil division	11661/3/2014	Certification of absolute nullity of the EGMS Resolution no. 1/11.03.2014 or its cancellation thereof	Admits the exception of lack of interest. Overrules the request as lacking interest. Appeal right in 30 days from communication. Ruled in public hearing, today 26.06.2014. The resolution has not been drafted yet.
22.	Plaintiff : FP Defendant : SNN	Bucharest Court of Law Division VI Civil	File 11666/3/2014	Presiding judges order request : the suspension of the execution of the EGMS	Rejects the claim as ungrounded with right to appeal in 5 days. Sentenced in public hearing today, 06.06.2014. Document : Decision 2947/2014

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				Resolution 1/11.03.2014	06.06.2014
23.	Intervener: FP Petitioner: SNN	Bucharest Court of Law Division VI	9853/3/2014	Intervention claim through which FP requests the rejection of the registration at the Trade Registry of the EGMS Resolution 1/11.03.2014	Rejects the intervention claim as ungrounded. Admits the registration of the claim and/or the mentioning in documents number 96561/18.03.2014. Rules the mentioning in the trade registry of the EGMS Resolution 1/11.03.2014 and EGMS Resolution 2/11.03.2014 by SN Nuclearelectrica SA. With appeal in 30 days. The appeal must be submitted to the Bucharest Court of Law Division VI Civil. Ruled in public hearing, today 10.06.2014.
24.	Plaintiff :SNN Defendant :ANRE	Court of Appeal of Bucharest Division VIII Legal administrative and fiscal	416/2/2014	Modification of regulated tariff Decision 3609/2013	Deadline: 2.09.2014, 12.00 hours
25.	Objector : SNN Defendant: Chirica Teodor	Court of District 4	File 10799/4/2014	Attachment of SNN account for the amount of 96.055,87 lei (income tax and contributions). Appeal to the execution of the file 175/2014	Deadline to be pronounced
26.	Objector: SNN Defendant: ANRM AP	Court of District 1	Files 21040/299/2014 and 21035/299/2014	Ascertaining record 068 –fine 30.000 lei	Deadline to be pronounced
27.	Plaintiff: Marcuta Mihai Defendant : SNN	Bucharest Court of Law Division VIII	6850/3/2014	Employment litigation. Appeal against the decision to suspend his individual work contract	
28.	Plaintiff: SNN Defendant: Court of Auditors	Bucharest Court of Appeal Section VIII Legal administrative and fiscal ICCJ	6561/2/2012	litigation CC Lg.94/92	« Decision number 2722/10.06.2014. Rejects the appeal declared by the plaintiff Societatea Nationala Nuclearelectrica S.A. against the civil sentence number 6332/7.11.2012 ruled by Bucharest Court of Law - Section VIII Legal, administrative and fiscal as ungrounded. Irrevocable. Ruled in

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					public hearing, today June 10 th , 2014. Decision not drafted.
29.	Plaintiff :SNN Defendant :Electrica Furnizare	Court of Law of Bucharest Division VI Court of Appeal of Bucharest Division VI The high court of cassation and justice	5120/3/2013	Penalties claim 1.351.455,56 lei	Admits the summoning to the court of law. Rejects the counterclaim as ungrounded. Obliges the defendant Electrica Furnizare to pay the plaintiff the amount of 1 351 455,56 lei, as delay penalties. Obliges the defendant to pay the plaintiff the amount of 17 630 lei, as court costs. With appeal in 15 days. Resolution number 6439/2013 01.11.2013. Appeal : admits the appeal of Electrical Frunizare. Modifies the sentence in full. Rejects the main claim as ungrounded and admits the counterclaim. Annuls article 13, line 3 and 4 regarding penalties from the contract number 55/9.02.2012, obliging the plaintiff-defendant SNN to pay the defendant-plaintiff S.C. ELECTRICA FURNIZARE S.A the amount of 1.408.131,85 lei as paid up penalties. Obliges the plaintiff-defendant to pay the defendant-plaintiff the amount of 36.105,8 lei as court costs (first instance trial and appeal). With appeal in 15 days. Appeal was been drafted. Deadline to be pronounced.
30.	Plaintiff: Greenpeace CEE Romania Defendants: Ministry of Environment and SNN	Court of Appeal of Bucharest legal ICCJ Division VIII legal, administrative and fiscal I	3663/2/2013	Cancelation of the decision to issue the environment agreement for Projects Units 3 and 4.	Rejects the exception of the lack of active and passive procedural capacity of the defendant Nuclearelectrica as ungrounded. Admits the exception of lack of object of the claim to cancel the environment agreement as ungrounded. Rejects the lack of inadmissibility exception of the claim to suspend the decision to issue the environment agreement, as ungrounded. Rejects as ungrounded the exception of prematurity of the claim to cancel the environment agreement. Rejects the claim to cancel the environment decision as ungrounded. With appeal in 5 days. Decision number 2284/2013 12.07.2013.

					<p>The sentence was ruled An appeal to meet the claim was filled tat ICCJ Deadline for appeal to be decided</p>
31.	<p>Plaintiff: Greenpeace CEE Romania Defendants: Ministry of Environment and SNN</p>	<p>Court of Appeal of Bucharest Division VIII</p>	3793/2/2013	<p>The suspension of the decision to issue the environment agreement for Units 3 and 4 Project.</p>	<p>Rejects as ungrounded the exception of the lack of procedural capacity of the defendants. Rejects, as ungrounded, the exception of lack of passive procedural capacity of the defendant SNN. Rejects the inadmissibility exception of the claim as ungrounded for chapter I of the initial claim (the annulment of the environment agreement) as well as the additional claim (the annulment of HG nr. 737/2013). Admits the exception of lack of object of chapter II of the initial claim (the annulment of the environment agreement for the project “The continuation of construction and completion works at Cernavoda NPP Units 3 and 4”). Rejects, as ungrounded, the exception of lack of interest of the initial and additional claims. With right to appeal. Ruled in public hearing today, March 14th 2014. Ruling on May 9th 2014. Rejects chapter II of the initial claim regarding the annulment of the environment agreement for the “The continuation of construction and completion works at Cernavoda NPP Units 3 and 4”Project, as lacking object. Rejects the rest of the claim, as filled in the additional claim, as ungrounded. With appeal in 15 days since the ruling. Ruled in public hearing, today May 9th, 2014. Document: Resolution 1436/2014 09.05.2014.</p>
32.	<p>Debtor: Termoficare 2000 Creditor: SNN</p>	<p>Court of Law of Arges</p>	873/1259/2008	2.713.986,71 lei	<p>INSOLVENCY. Establishes the deadline for the continuation of the procedure for 23.09.2014 in order to recover the receivables and to capitalize the assets owned by the debtor. Rules to display the report on the amounts recovered from the liquidation and the recovery of receivables for the period between January – March</p>

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					2013 at the Court of Law. With right to appeal, on the merits of the cause.
33.	Debtor: CON-DEM SA Creditor: SNN	Court of Law of Bucharest Court of Appeal of Bucharest	18770/3/2007 Appeal 18770.1/3/2007	Bankruptcy 2.446.227,08 lei	Refutes the reorganization plan. Bankruptcy general procedure. Liquidator RVA Insolvency 17.09.2014
34.	Plaintiff: Greenpeace CEE Romania Defendants: Ministry of Environment and SNN	Court of Appeal of Bucharest legal ICCJ	8184/2/2011 8184/2/2011 *	Cancelation of the environment authorization of FCN Pitesti	<u>First instance trial:</u> Admits the inadmissibility exception from the count regarding the annulment of HG1061/2011 as well as the request for the suspension of the activity of FCN Pitesti. Rejects the exception of lateness of the complementary claim of the plaintiff. Rejects the claim as ungrounded. <u>APPEAL:</u> admits the appeal of Greenpeace CEE Romania against the civil sentence 2014/21.03.2012 of the Court of Appeal of Bucharest – Division VIII Legal Administrative and Fiscal. Quashes the attacked sentence and send the file for retrial to the same court of law. Irrevocable. Decision number 3414/15.03.2014 <u>Retrial:</u> Rejects the claim. Admits the inadmissibility exception from the count regarding the suspension of the activity of the factory due to its non compliance with the legislation regarding the environment impact and rejects, consequently, this count, as inadmissible. Rejects the rest of the claim, as filed, as ungrounded. AS per art 274, paragraph (3) from the Code of Civil Procedure, obliges the plaintiff to pay to the defendant SN Nuclearelectrica SA the amount of 15.000 lei as court costs, representing attorney fees. With appeal in 15 days. Decision number 2626/18.09.2013 Deadline for retrial appeal: 05.11.2014

Appendix 5 – Degree of achievement of the performance indicators at 30.06.2014 – Board of Directors

No.	Objective/Performance indicators	MU	Estimated Q II	Actual Q II	Level of achievement (%)	Weight coefficient	Level of achievement of performance indicators col. 5 * col. 6 (%)
0	1	2	3	4	5	6	7
Improvement of the indicators regarding the financial performance of the Company							
1	Turnover (cumulated since the beginning of the year)	Million RON	841,00	834,94	99,28%	0,20	19,86%
2	Operating result (cumulated since the beginning of the year)	Million RON	8,00	27,24	340,54%	0,20	68,11%
3	Overdue payments	Thousand RON	23,00	-	100,00%	0,10	10,00%
4	Labour productivity (cumulated since the beginning of the year)	Thousand RON/person	389,00	403,94	103,84%	0,10	10,38%
5	Operating expenses at 1.000 lei turnover (cumulated since the beginning of the year)	RON	999,00	990,12	100,90%	0,10	10,09%
Execution of the major investment objectives							
6	Execution of the annual value of the investment plan cumulated since the beginning of the year (as per Chart 28 and the annual budgets)	%	25%	34,43%	137,72%	0,15	20,66%
Maintenance of the electricity production capacity above the average level in the industry							
7	Capacity factor (cumulated since the beginning of the year)	%	80%	91,62%	114,53%	0,10	11,45%
Operation of the nuclear units in safe conditions for the personnel, the population, the environment and the production assets							
8	No operating events above level 1 on the International Nuclear Event Scale, concerning the damage of the in depth defence barriers, onsite and off-site impact		0	0	100,00%	0,05	5,00%
Level of achievement of the performance indicators						1,00	155,55%