SN Nuclearelectrica SA

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
(free translation)

	Note	31 December 2013	31 December 2012
Assets			
Non-current assets			
Property plant and equipment	5	8,192,667,298	9,453,889,705
Intangible assets	6	97,861,128	89,178,361
Total non-current assets		**8,290,528,426**	**9,543,068,066**
Current assets			
Inventories	7	386,296,868	368,797,268
Trade and other receivables	8	197,366,645	162,729,598
Prepayments		10,865,840	10,299,631
Bank deposits		704,525,705	234,504,213
Cash and cash equivalents	9	751,247,612	708,779,111
Subtotal, current assets		**2,050,302,670**	**1,485,109,821**
Assets to be transferred	5	1,382,640,479	-
Total current assets		**3,432,943,149**	**1,485,109,821**
Total assets		**11,723,471,575**	**11,028,177,887**
Equity and liabilities			
Equity			
Share capital	10	3,013,330,303	2,732,326,353
Share premium	10	31,474,149	-
Prepaid share reserve	10	215,930,237	1,617,236,040
Revaluation reserve	10	1,770,574,705	1,477,149,783
Retained earnings	10	2,667,598,242	2,250,194,318
Equity attributable to owners of the Company		**7.698.907.636**	**8,076,906,494**
Non-controlling interest		**22,474,502**	**22,666,798**
Total equity		**7,721,382,138**	**8,099,573,292**
Liabilities			
Non-current liabilities			
Long term borrowings	11	1,675,427,622	1,922,081,892
Deferred income long term		186,480,601	200,825,262
Deferred tax liability		208,285,413	159,372,232
Employee benefits	14	26,207,527	21,189,517
Total non-current liabilities		**2,096,401,163**	**2,303,468,903**
Current liabilities			
Accounts payable and other liabilities	12	243,249,981	283,071,282
Current tax liability		35,004,719	31,471,125
Deferred income		32,007,582	82,349,330
Current portion of long term borrowings	11	212,785,513	228,243,955
Subtotal current liabilities		**523,047,795**	**625,135,692**
Liability related to assets to be transferred	5	1,382,640,479	-
Total current liabilities		**1,905,688,274**	**625,135,692**
Total liabilities		**4,002,089,437**	**2,928,604,595**
Total equity and liabilities		**11,723,471,575**	**11,028,177,887**

The accompanying notes 1-24 are an integral part of these consolidated financial statements.

	Note	2013	2012
Revenues			
Sales from electricity	15	1,829,187,376	1,564,783,792
Electricity transmission revenues		103,315,662	87,665,753
Total revenues		**1,932,503,038**	**1,652,449,545**
Other income	18	129,686,605	38,854,582
Operation expenses			
Depreciation and amortisation		(433,122,847)	(395,618,092)
Personnel expenses		(302,751,047)	(290,944,715)
Cost of traded electricity		(77,327,618)	(73,629,611)
Repairs and maintenance		(142,249,662)	(125,295,726)
Electricity transmission expenses		(103,315,661)	(87,665,753)
Costs with spare parts		(28,528,016)	(30,355,073)
Cost of uranium fuel		(113,396,395)	(123,289,105)
Other operating expenses	16	(402,170,795)	(408,054,161)
Total operating expenses		**(1,602,862,039)**	**(1,534,852,236)**
Operating result		**459,327,604**	**156,451,892**
Finance cost	17	(172,539,326)	(320,151,357)
Finance income	17	229,726,731	229,885,393
Net finance cost		**57,187,405**	**(90,265,964)**
Profit before income tax		**516,515,009**	**66,185,928**
Income tax expense	13	(89,659,467)	(46,307,586)
Profit for the year		**426,855,542**	**19,878,342**
Profit for the year attributable to:			
Owners of the Company		427,047,838	19,502,151
Non-controlling interest		(192,296)	376,192
Profit for the year		**426,855,542**	**19,878,342**

The consolidated financial statements on pages 1 to 46 were authorized for issue by the management on 26 March 2014 and were signed on its behalf by:

Daniela Lulache
Chief Executive Officer

Mihai Darie
Chief Financial Officer

The accompanying notes 1-24 are an integral part of these consolidated financial statements.

	Note	2013	2012
Profit for the year		**426,855,542**	**19,878,342**
Other comprehensive income			
Items that will never be classified in profit or loss account			
Revaluation of property, plant and equipment	5	356,087,677	10,397,741
Deferred tax related to revaluation reserve	13	(62,662,755)	(1,663,639)
Actuarial gains		181,360	1,203,785
Other comprehensive income		**293,606,282**	**9,937,887**
Total comprehensive income for the year		**720,461,824**	**29,816,230**
Attributable to:			
Owners of the Company		720,654,120	29,440,038
Non-controlling interest		(192,296)	(376,192)
Total comprehensive income for the year		**720,461,824**	**29,816,230**
Earnings per share			
Basic earnings per share (Ron/share)	21	**1.65**	**0.08**
Diluted earnings per share (Ron/share)	21	**1.54**	**0.05**

The accompanying notes 1-24 are an integral part of these consolidated financial statements.

	Note	Share capital	Share premium	Prepaid share reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2012		**2,732,326,353**	**-**	**1,617,271,940**	**1,469,304,425**	**2,229,348,346**	**8,048,251,064**	**16,266,426**	**8,064,517,490**
Comprehensive income for the year									
Profit for the year		-	-	-	-	19,502,151	19,502,151	376,191	19,878,342
Other comprehensive income		-	-	-	8,734,102	1,203,785	9,937,887	-	9,937,887
Total comprehensive income for the year		**-**	**-**	**-**	**8,734,102**	**20,705,936**	**29,440,038**	**376,191**	**29,816,229**
Shares issued by subsidiary		-	-	-	-	-	-	6,024,181	6,024,181
Transfer of prepaid share reserve		-	-	(35,900)	-	-	(35,900)	-	(35,900)
Other elements		-	-	-	(748,708)	-	(748,708)	-	(748,708)
Realised revaluation reserve for PP&E derecognised		-	-	-	(140,036)	140,036	-	-	-
Balance as at 31 December 2012		**2,732,326,353**	**-**	**1,617,236,040**	**1,477,149,783**	**2,250,194,318**	**8,076,906,494**	**22,666,798**	**8,099,573,292**

The accompanying notes 1-24 are an integral part of these consolidated financial statements.

	Note	Share capital	Share capital premium	Prepaid share reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2013		**2,732,326,353**	**-**	**1,617,236,040**	**1,477,149,783**	**2,250,194,318**	**8,076,906,494**	**22,666,798**	**8,099,573,292**
Comprehensive income for the year		-	-	-	-				
Profit for the year						427,047,838	427,047,838	(192,296)	**426,855,542**
Other comprehensive income		-	-	-	293,424,922	181,360	293,606,282	-	**293,606,282**
Total comprehensive income for the year		**-**	**-**	-	**293,424,922**	**427,229,198**	**720,654,120**	**(192,296)**	**720,461,824**
Issue of shares	***10***	281,003,950	31,474,149	-	-	-	312,478,099	-	**312,478,099**
Transfer of prepaid share reserve		-	-	(18,665,324)	-	18,665,324	-	-	**-**
Transfer of prepaid share reserve		-	-	(1,382,640,479)	-	-	(1,382,640,479)	-	**(1,382,640,479)**
Dividend distribution		-	-		-	(28,490,598)	(28,490,598)	-	**(28,490,598)**
Balance as at 31 December 2013		**3,013,330,303**	**31,474,149**	**215,930,237**	**1,770,574,705**	**2,667,598,242**	**7,698,907,636**	**22,474,502**	**7,721,382,138**

The accompanying notes 1-24 are an integral part of these consolidated financial statements.

	2013	2012
Cash flows from operating activities		
Profit before income tax	516,515,009	66,185,928
Adjustments for:		
Depreciation and amortization	433,122,847	395,618,092
Impairment loss on trade and other receivables	7,206,171	1,463,821
Impairment loss on inventories	315,391	-
Provisions	(1,128,329)	-
Loss/(Gain) from the non-current assets sold	7,694,334	-
Net finance costs/ (gains)	(52,769,141)	90,670,743
Changes in:		
(Increase)/ Decrease in trade and other receivables	(42,409,427)	73,314,221
(Increase)/ Decrease in inventories	(33,042,862)	21,874,297
Variance of deferred income	(64,686,409)	22,034,614
Increase/ (Decrease) in accounts payable and other liabilities	(9,009,342)	53,390,945
Cash generated from operating activities	**761,808,242**	**724,552,661**
Income tax paid	(99,875,446)	(10,847,276)
Interest received	41,642,133	37,879,019
Interest paid	(30,796,849)	(43,734,733)
Net cash from operating activities	**672,778,080**	**707,849,671**
Cash flows used in investing activities		
Purchase of intangible assets	(27,205,651)	(5,852,333)
Purchase of property, plant and equipment	(199,420,866)	(283,861,798)
Proceeds from the sale of property, plant and equipment	2,539,784	1,112,195
Increase in bank deposits	(470,021,492)	(138,174,559)
Net cash used in investing activities	**(694,108,225)**	**(426,776,495)**
Cash flow from financing activities		
Proceeds from issue of shares	312,478,099	-
Repayments of borrowings	(220,188,855)	(184,277,340)
Dividends paid	(28,490,598)	-
Net cash from financing activities	**63,798,646**	**(184,277,340)**
Net increase in cash and cash equivalents	**42,468,501**	**96,795,836**
Cash and cash equivalents as at 1 January (see Note 9)	**708,779,111**	**611,983,275**
Cash and cash equivalents at 31 December (see Note 9)	**751,247,612**	**708,779,111**

The accompanying notes 1-24 are an integral part of these consolidated financial statements.

1. REPORTING ENTITY

Societatea Nationala Nuclearelectrica SA ("the Company") is a company established in Romania. The Company's head office is located in Bucharest, 65 Polona Street. The consolidated financial statements of the Company as at and for the year ended 31 December 2013 comprise the Company and its subsidiary, EnergoNuclear SA, (named together, "the Group"). As at 31 December 2013 the Company owns 84.65% (84.65% as at 31 December 2012) of EnergoNuclear SA. The main operating location is in Cernavoda in the eastern part of Romania, where the Company has two operating nuclear reactors (Nuclear Power Plant Units 1 and 2) and three nuclear reactors at inception stage (Nuclear Power Plant Units 3-5). The construction of Units 3 and 4 is planned to be finalized by EnergoNuclear. The Company's reactors are based on CANDU technology (Canada Deuterium Uranium reactor of PHWR type).

Unit 5 is impaired 100% as there are no plans to continue the construction. In March 2014 the shareholders of the Company have approved the use of Unit 5 to activities related to the operation of Units 1 and 2.

The main activity of the Company is to generate electricity using nuclear power plants units 1 and 2. EnergoNuclear SA was established in March 2009, for the purpose of constructing and operating the two 720 MW CANDU 6 (Units 3 and 4) reactors at Cernavoda.

In accordance with the Electricity Law 123/2012, the electricity sector is regulated by the Romanian Energy Regulatory Authority ("ANRE"), an autonomous public institution. In accordance with Order no. 58/2008 and related amendments, ANRE establishes the tariffs to be used by the Company for selling electricity on regulated market. During 2013, the Company sold approximately 48.3% of the electricity on the regulated market. The average price for electricity sales on the regulated market in 2013 is of 142 RON/MWh as compared with 121.62 RON/MWh in 2012, net of tariff for transmission service for electricity paid to Transelectrica for using transmission network.

Starting with 4 November 2013, the Company's shares are traded on the Bucharest Stock Exchange, under symbol SNN.

As described in Note 10, as at 31 December 2013 the shareholders of the Company are: the Romanian State through the Ministry of Economy which holds 229,006,139 shares, representing 81.2705% of the share capital, Fondul Proprietatea which holds 27,408,381 shares, representing 9.7270% of the share capital and other shareholders which hold the remaining 25,368,236 shares, representing 9.0025% of the share capital.

These consolidated financial statements were authorized for issue by the management of the Group on 26 March 2014.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS").

b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for property, plant and equipment which is measured at fair value as disclosed in the accounting policies (see Note 3d). The property, plant and equipment are accounted using the revaluation model, except for assets in course of construction that are accounted under cost model, except for the assets acquired before 31 December 2003 which include adjustments due to hyperinflation as required by the application IAS 29 "Financial Reporting in Hyperinflationary Economies".

c) Functional and presentation currency

The consolidated financial statements are presented in Romanian Lei ("RON"), which is the Group's functional currency. All financial information presented in RON has been rounded to the nearest million, unless stated otherwise.

d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses (estimated useful lives of fixed assets (see Note 3), determination of fair value (see Note 4 and Note 22e), assumptions on determination of fair value of property, plant and equipment (see Note 5), the transfer to property, plant and equipment of those spare parts which meet the recognition criteria of IAS 16 (see Note 5), the transfer of heavy water from the property, plant and equipment to assets to be transferred (see Note 5), the recoverability of trade receivable (see Note 8) and assumptions related to the calculation of employee benefits (see Note 14). Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions that have a significant risk of resulting in a material adjustment within the next financial years are included in Note 19 i) (key assumptions relating to the continuance of the project developed by EnergoNuclear).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

a) Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

The gain obtained from a profitable purchase is recognised immediately in profit or loss when the fair value of consideration transferred is greatest than the recognized net value of identifiable assets purchased. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Acquisitions of non-controlling interests

The Group measures non-controlling interests in the acquiree at their proportionate share of the acquiree's identifiable net assets, at acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with equity.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency transactions

Transactions in foreign currencies are translated to RON by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the period are translated to RON at the exchange rates prevailing on that date (the exchange rate used is the one published by the National Bank of Romania). Exchange gains and losses, realised or unrealised, are included in profit or loss for that year. The exchange rates at 31 December 2013 and 31 December 2012 are as follows:

	Average rate		**Exchange rate as at**	
Currency	**2013**	**2012**	**31 December 2013**	**31 December 2012**
1 EUR	4.4190	4.4560	4.4847	4.4287
1 USD	3.3279	3.4682	3.2551	3.3575
1 CAD	3.2312	3.4701	3.0575	3.3736

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

c) Accounting for the effects of hyperinflation

Romania has previously experienced relatively high levels of inflation and was considered to be hyperinflationary as defined by IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29"). IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date. As the characteristics of the economic environment of Romania indicate that hyperinflation has ceased, effective from 1 January 2004 the Group no longer applies the provisions of IAS 29. Accordingly, the amounts expressed in the measuring unit current at 31 December 2003 are treated as the basis for the carrying amounts in these financial statements.

d) Property, plant and equipment (PP&E)

Recognition and measurement
Items of property, plant and equipment are initially measured at cost less accumulated amortization and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- capitalised borrowing costs.

Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period. Fair value is calculated based on valuations performed by independent valuers by using the market values and depreciated replacement cost basis, less accumulated depreciation and impairment loss if applicable.

Land, industrial buildings (e.g. nuclear power plants) and administrative buildings are accounted to fair value, based on valuations performed by independent valuers by using the market values and depreciated replacement cost basis, less accumulated depreciation and impairment loss if applicable.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same amount previously recognised in profit and loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under item revaluation reserve.

The revaluation surplus included in other comprehensive income in respect of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Machinery, equipment and other assets, less administrative buildings and industrial buildings, are recorded at cost. Items of property, plant and equipment in progress are recorded at purchase cost or construction cost (restated comparative to the measurement unity at 31 December 2003 for property, plant and equipment acquired before 1 January 2004). In the caption of property, plant and equipment in course of construction have been included also the buildings and heavy water which will be used by EnergoNuclear for the construction of Units 3 and 4.

Historically, the Nuclear Power Plant Units 1, 2, 3, 4 and 5 were considered as a single project and prior to 1990 the costs incurred were not accounted for separately. In 1991, the Company performed an allocation of these costs to each unit. This allocation represents the cost basis for the assets included within assets in course of construction.

Items of spare parts, service equipments and maintenance equipments are recognized as property, plant and equipment under IAS 16 if they meet the definition of property, plant and equipment. All other spare parts are recognized as inventories.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Component accounting for inspection or overhaul costs is used only for major expenditure that occurs at regular intervals over the life of an asset. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Land is not subject to depreciation as it is deemed to have an indefinite life. Assets in course of construction are not subject to depreciation.

Depreciation of other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts, from the date the asset is complete and available for use, over their estimated useful lives.

	Number of years
Nuclear power plants – Units 1 and 2	30
Heavy water (load for Units 1 and 2)	30
Buildings	45 – 50
Machinery and equipment	3 - 20

Heavy water (load for Units 1 and 2), nuclear fuel, buildings, machinery and equipment are grouped together in Note 5 under the same heading "Machinery, equipment and other assets".

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The assets' depreciation methods, useful lives and residual value are reviewed at each reporting date, and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income or other operating expenses, in profit or loss. Borrowing costs incurred specifically for the purpose of acquiring or constructing items of property, plant or equipment are capitalised as part of the asset's cost up to the date when all activities necessary to prepare the asset for its intended use or sale are complete.

e) Intangible assets

The intangible assets are measured at cost less any accumulated amortization and accumulated impairment losses. The amortization is recognized in profit or loss based on a straight-line basis over the estimated useful life of the intangible asset. Intangible assets consist mainly of customized software, which is amortized on a straight-line basis mainly over 5 years. Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

f) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, the assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs reduce the carrying amounts of the other assets in the CGU (group of CGUs).

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Inventories

Inventories consist of consumables, spare parts which do not meet the recognition criteria as property, plant and equipment, buffer stock, uranium and other inventories necessary for the activity of the Company. These materials are recorded as inventories when purchased and then expensed when consumed.

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, if any, and selling expenses.

h) Recognition and derecognition of the non-derivative financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial assets are mainly represented by receivables, cash and cash equivalents and bank deposits.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise borrowings and trade and other payables.

i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for doubtful debts. An allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 360 days overdue) are considered indications that the trade receivable might be impaired.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within other operating expenses.

j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, in current accounts and bank deposits with original maturities of 3 months or less that are subject to an insignificant risk of changes in their fair value. The bank deposits caption in the statement of financial position comprises bank deposits with original maturities higher than 3 months.

k) Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of any tax effects.

l) Legal reserve

Legal reserves represents a rate of 5% from gross profits at the year end until the total legal reserves reach 20% of the nominal share capital paid in accordance with the law. These reserves are deductible for income tax in the amount stipulated in the Fiscal Code and are distributable only at the liquidation of the Company. The legal reserve is distributed at balance sheet date.

m) Prepaid share reserve

The prepaid shares represent cash contributed by the Company's shareholders in respect of a future share issuance by the Company. When there is no possibility of the prepayment being refunded, so that the Company's obligation is to deliver only a fixed number of shares, then the amount contributed is credited to the Prepaid share reserve.

n) Dividends

Dividends are recognized as a liability in the period in which their distribution is approved.

o) Trade and other payable

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

q) Government grants

Government grants related to purchase of assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Government grants that relates to the acquisition of an asset are recognised as deferred income and are amortised as the related asset is depreciated.

r) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payables also include any tax liability arising from declaration of dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequence that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax exposure

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

s) Employee benefits

(i) Definited benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and past service cost that had not previously been recognised.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

t) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, including for storage costs. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. The provision related to the intermediary storage of spent nuclear fuel is determined as the discounted value of future expenses with the storage of nuclear fuel.

u) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax.

The Group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenues from sale of electricity (either generated by the Company or acquired) are recognised upon delivery of energy to the transmission grid.

v) Finance income and finance costs

Finance income comprises mainly interest income on bank deposits and foreign currency gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise mainly interest expense on borrowings and foreign currency losses. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

w) Operating segments

An operating segment is identified by IFRS 8 "Operating Segments" as a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses related to transactions with other components of the same entity;
- Whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker ("CODM") to allocate resources and assess its performance; and
- For which discrete financial information is available.

The management of the Group considers all activities together, as "a single segment".

x) Earnings per share

Earnings per share are calculated by dividing the Group's share of net profit by the weighted average number of shares outstanding over the period. This weighted average number of shares outstanding is the number of ordinary shares at the beginning of the year, adjusted by the number of shares redeemed or issued during the year, multiplied by a weighting factor of time.

Dilution is a reduction in earnings per share or increase of loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions. The objective of diluted earnings per share is correlated with basic earnings per share and provide specific interests of each ordinary share in the entity's performance.

y) Implication of new International Financial Reporting Standards (IFRSs)

The Group has adopted the following new standards and amendments to standards, including subsequent amendments related to other standards, with initial date of implementation 1 January 2013:

- *IAS 1 Clarification of the requirement for comparative information (Amendment)*

The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

- *IAS 19 Employee Benefits (Revised in 2011)*

IAS 19 comprise amendments related to the accounting of determined benefits plans, inclusive the immediate recognition of actuarial gains and losses in other comprehensive income and the permanent elimination of the possibility of recognising these elements in profit or loss. The future return of plan assets it is no longer recognized in profit or loss, but there it is a requirement related to the recognition in the profit or loss of the net liability (of the asset) interest on the determined benefits calculated based on the discount rate used for the measurement of the obligation of determined benefit. The cost of services prior not granted is recognised in profit or loss at the earliest between the moment when the amendment incur and the moment when costs of restructuring or termination are recognized. Other amendments comprises new disclosure requirements, such as sensitivity quantitative analysis.

The amendment is not relevant to the Company's financial statements, since the Company's current policy is to recognise immediately the actuarial gains and losses in other comprehensive income and the Company does not have a plan asset.

- *IFRS 13 Fair Value Measurement*

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair values as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Company has included additional disclosures in this regard.

In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Company's assets and liabilities.

- *IAS 16 Property, plant and equipment*

Annual Improvements to IFRSs 2009-2011 Cycle amend IAS 16 to clarify that spare parts, stand-by equipment and servicing equipment are classified as property, plant and equipment when they meet the definition; this includes the requirement for such items to be used over more than one period. Otherwise, they are classified as inventory.

a) New IFRS pronouncements effective after 1 January 2014

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning 1 January 2014 and have not been applied in preparing these financial statements. None of these new standards are expected to have a material impact on the consolidated financial statements.

4. DETERMINATION OF FAIR VALUE

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. In determining the fair values of assets and liabilities, the Group uses at the extent possible the observable market values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data

For classification in the fair value hierarchy see Note 22(e).

Property, plant and equipment
The fair value of industrial buildings is primarily based on cost method considering their particularities.

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Nuclear power plants	Machinery, equipment and other assets	Assets in course of construction	TOTAL
Cost					
Balance as at 1 January 2012	**26,841,645**	**7,429,000,000**	**1,403,160,502**	**2,514,142,338**	**11,373,144,485**
Additions	-	-	16,531,553	264,305,832	**280,837,386**
Additions in Units 3&4	-	-	-	37,247,678	**37,247,678**
Revaluation of buildings	-	-	12,884,223	-	**12,884,223**
Offset of accumulated depreciation on revaluation	-	-	(38,019,550)	-	**(38,019,550)**
Transfers	-	2,590,853	86,052,413	(88,643,266)	**-**
Disposals	-	-	(13,973,541)	-	**(13,973,541)**
Balance as at 31 December 2012	**26,841,645**	**7,431,590,853**	**1,466,635,600**	**2,727,052,582**	**11,652,120,680**
Balance as at 1 January 2013	**26,841,645**	**7,431,590,853**	**1,466,635,600**	**2,727,052,582**	**11,652,120,680**
Additions	105,649	-	8,668,370	162,052,882	**170,826,901**
Additions in Units 3&4				5,807,422	**5,807,422**
Transfers	-	57,424,016	164,616,308	(222,040,324)	**-**
Disposals	(148,906)	-	(15,729,420)	-	**(15,878,326)**
Transfer of spare parts	-	-	-	15,221,418	**15,221,418**
Revaluation of buildings	-	352,029,197	4,059,470	-	**356,088,667**
Heavy water which will be transferred to the state reserve	-	-	-	(1,382,640,479)	**(1,382,640,479)**
Offset of accumulated depreciation on revaluation	-	(1,963,548,888)	(6,893,485)	-	**(1,970,442,373)**
Balance as at 31 December 2013	**26,798,388**	**5,877,495,178**	**1,621,356,843**	**1,305,453,501**	**8,831,103,910**
Depreciation and impairment					
Balance as at 1 January 2012	**-**	**1,369,000,000**	**367,000,000**	**136,980,000**	**1,872,980,000**
Depreciation charge	77,758	296,688,723	79,340,961	-	**376,107,442**
Accumulated depreciation of disposals	-	-	(12,836,917)	-	**(12,836,917)**
Offset of accumulated depreciation on revaluation	-	-	(38,019,550)	-	**(38,019,550)**
Balance as at 31 December 2012	**77,758**	**1,665,688,723**	**395,484,494**	**136,980,000**	**2,198,230,975**
Balance as at 1 January 2013	**77,758**	**1,665,688,723**	**395,484,494**	**136,980,000**	**2,198,230,975**
Depreciation charge	77,757	297,860,165	89,609,274	-	**387,547,197**
Accumulated depreciation of disposals	-	-	(5,644,388)	-	**(5,644,388)**
Impairment of assets in course of construction	-	-	1,201,100	27,544,102	**28,745,202**
Offset of accumulated depreciation on revaluation	-	(1,963,548,888)	(6,893,485)	-	**(1,970,442,373)**
Balance as at 31 December 2013	**155,515**	**-**	**473,756,995**	**164,524,102**	**638,436,612**
Carrying amounts					
At 1 January 2012	**26,841,645**	**6,060,000,000**	**1,036,160,502**	**2,377,162,338**	**9,500,164,485**
At 31 December 2012	**26,763,887**	**5,765,902,130**	**1,071,151,106**	**2,590,072,582**	**9,453,889,705**
At 31 December 2013	**26,642,873**	**5,877,495,178**	**1,147,599,848**	**1,140,929,399**	**8,192,667,298**

Machinery, equipment and other assets includes the first load of heavy water used for units 1 and 2, with a carrying amount as at 31 December 2013 of RON 444,297,817 (RON 464,352,426: 31 December 2012) and administrative buildings with a net book value as at 31 December 2013 of RON 340,006,161 (RON 351,129,750: 31 December 2012).

The Company revalued its industrial buildings as at 31 December 2013. The industrial buildings are presented under the caption "Machinery, equipment and other assets" and under the caption "Nuclear power plant". The industrial buildings have been revalued by an independent valuer, Romanian Expert Consulting, member of Romanian National Association of Authorised Valuers (ANEVAR). The industrial buildings were appraised using net replacement cost approach. As at 31 December 2013 the revaluation surplus recognized is RON 356,088,667. Also, the Company revalued the administrative buildings as at 31 December 2012. The administrative buildings are presented under the caption "Machinery, equipment and other assets". The buildings have been revalued by an independent valuer, Tehnoconcept Expert SRL, member of Romanian National Association of Authorized Valuers (ANEVAR). The buildings were appraised using cost approach and the revenue approach. As at 31 December 2012 the revaluation surplus recognized is RON 10,397,741.

Revalued amount for property, plant and equipment categories is determined as described below:

- Lands are carried at revalued amount determined at 31 December 2009.
- The nuclear power plants 1 and 2 and other industrial buildings are carried at revalued amounts; the latest valuation was carried out by independent valuers at 31 December 2013. The nuclear power plants were previously valued by independent valuers at 31 December 2009.
- Administrative buildings are carried at revalued amount, based on valuations performed by independent valuer (latest at 31 December 2012).The administrative buildings were previously valued by independent valuer at 31 December 2009.

As at 31 December 2013, the carrying amount of Units 3 and 4 is in amount of RON 273,960,000 (RON 292,254,000: 31 December 2012). Prior to 1991, the units 1, 2, 3, 4 and 5 were considered as a single project and therefore construction costs incurred were not allocated to every unit. Subsequently, the Group made the allocation of the construction costs to Nuclear Power Plant Units 3 and 4.

The carrying amount of heavy water related to units 3 and 4 is RON 158,470,146 (RON 1,541,110,626 at 31 December 2012). These items are presented under the caption "Assets in course of construction". The total quantity of heavy water to be needed for Units 3 and 4 is 1,100 tones. Until 1 January 2012, the Company has purchased 862 tons of heavy water from Romanian Authority for Nuclear Activities (RAAN), while the remaining quantity of heavy water necessary for operating units 3 and 4 is acquired directly by the State in accordance with GEO 118/2011. The quantity that it is acquired by the State is transferred to the State's reserve.

On 7 June 2013, the Romanian Government issued the Emergency Ordinance no. 56 which stipulates the transfer free of charge of the heavy water related to units 3 and 4, which was financed through budgetary allocations, to the State reserve by empowering the Ministry of Economy to mandate the State's representatives to vote for this transfer at the General Shareholders Meeting of the Company. During 2006 – 2011 the Company acquired 786,716 kilos of heavy water for commissioning Units 3 and 4 from Cernavoda that was financed through budgetary allocations granted for this purpose in a total amount of RON 1,382,640,479. In accordance with Governance Emergency Ordinance 365/1998, these non-refundable amounts should have been used in the future to increase the Company's share capital. Following the decision to transfer heavy water related to Units 3 and 4, financed through budgetary allocations, the Company has no obligation to issue a total number of 138,264,047 shares corresponding to the contribution in cash from the state budget for the purchase of the heavy water related to Units 3 and 4 (see Note 10).

The Board of Directors approved the transfer through decision no. 34/20 September 2013, while General Shareholders Meeting through decision no. 24/24 September 2013. The transfer will take place when the Company and National Administration of State Reserve will sign the transfer minute. Until the date of these financial statements the transfer was not yet made. The heavy water of RON 1,382,640,479 that is going to be transferred to the State's reserve is part of the total heavy water related to units 3 and 4 of RON 1,541,110,626. The Company's management estimates that the transfer will take place in 2014. Considering these facts, as at 31 December 2013 the heavy water that is going to be transferred to the State's reserve was presented on the face of the consolidated statement of financial position as assets to be transferred within current assets, while the related cash budgetary allocations were classified as a liability related to assets to be transferred within current liabilities as at 31 December 2013 instead as being presented as prepaid share reserve. At 31 December 2013 the heavy water related to units 3 and 4, financed through own funds is in the amount of RON 158,470,146, representing about 75 tones.

At 31 December 2013 the Company recognized an impairment adjustment of 100% for unit 5 because there were no plans to continue its construction. On 31 December 2013 the gross book value for unit 5 was RON 136,980,000 (RON 136,980,000 at 31 December 2012 and 1 January 2012). In March 2014, the shareholders approved the change of destination and use of unit 5 for other Company's activities.

According to the investors' agreement referring to EnergoNuclear, approved by the Government Decision no. 1565/November 2008, the Company intends to sell certain assets (e.g. units 3 and 4 and the related heavy water acquired for these two units) to EnergoNuclear in exchange of shares in this company (see Note 19). According to the current legislation, the sale of these assets will be subject to an independent valuation. The heavy water was acquired by the Company only for the purpose of transferring it to EnergoNuclear as a future investment in respect of additional shares in this company. The sale will take place during the construction period of units 3 and 4.

In 2012, EnergoNuclear concluded a contract with an independent valuer, Ernst & Young, to provide an approximate value of units 3 and 4. Ernst & Young issued a valuation report, in accordance with the International Valuation Standards, that provided an estimated market value range of EUR 380 – 539 million (RON 1,704 – RON 2,417 million considering an exchange rate of 4.4847 RON/EUR as at 31 December 2013) for units 3 and 4.

Following the amendments to IAS 16, the Group identified and transferred certain spare parts that meet the definition of property, plant and equipment from inventories to property, plant and equipment. The value of the transferred spare parts in 2013 was RON 15,221,418.

The main capital expenditure made by the Company during 2013 refers to Units 1 and 2 and related assets and includes:

- Enhancement of the nuclear security functions in amount of RON 82,889,239; (31 December 2012: RON 99,895,127);
- Construction of loading storage facilities for the spent nuclear fuel resulting from unit 2 in amount of RON 46,671,608 (31 December 2012: RON 24,637,457);
- Modernization and expansion of physical protection at CNE Cernavoda, in order to align to the new legal requirements in force in amount of RON 21,161,133; (31 December 2012: RON 52,331,767);

The main investments put into function in 2013 refer to the modernization and expansion of physical protection at CNE Cernavoda in amount of RON 72,051,023.

Investments made by EnergoNuclear refers to units 3 and 4. Units 3 and 4 are in the early stages of construction, and the continuance of the construction depends on subsequent investments made by the shareholders EnergoNuclear (see Note 19). On 31 December 2013, the carrying amount of assets under construction which refers to units 3 and 4 is RON 654,333,125 (RON 2,064,980,870: 31 December 2012), including investments made by EnergoNuclear. At 31

December 2013, the difference remaining to RON 1,140,929,399 (RON 2,590,072,582: 31 December 31 2012) represents assets in progress related to units 1 and 2 (e.g. improving nuclear security systems worth RON 184,248,672 (RON 131,308,289: 31 December 2012), modernization and expansion of Cernavoda NPP physical protection system worth RON 17,208,528 (RON 21,161,133: 31 December 2012), D2O detritiation facility of RON 43,609,883 (RON 35,118,544 : 31 December 2012) and advances to suppliers of fixed assets in amount of RON 11,567,493 (RON 55,461,445: 31 December 2012).

At 31 December 2013, the Group acquired fixed assets suppliers' credit in amount of RON 66,315,533 (RON 87,515,557: 31 December 2012). As at 31 December 2013, the gross carrying amount of fully depreciated property, plant and equipment which is still in use was RON 95,685,002 (RON 81,811,323: 31 December 2012).

Decommissioning of nuclear power plants

The nuclear power unit 1 is scheduled to operate until 2026 and Unit 2 until 2037. The Company did not record provisions for decommissioning of these two units, due to the fact it is not responsible for the decommissioning. According to Government decision no. 1080/5 September 2007, the Nuclear Agency and Radioactive Waste (ANDR) is responsible for collecting the contributions paid by the Company for the remaining useful life of these units and assume the responsibility for the management of the entire decommissioning process at the end of useful lives of the units, and also for the permanent storage of the resulting waste (see Note 16). The value of the contributions paid by the Company in 2013 to ANDR is RON 94,795,297 (2012: RON 101,031,897).

Assets pledged as security

As at 31 December 2013 and 31 December 2012 the Group has not pledged or mortgaged assets.

6. INTANGIBLE ASSETS

	Licences and acquired software	Power plant software	Intangible assets in progress	TOTAL
Cost				
Balance as at 1 January 2012	**46,618,367**	**85,708,931**	**45,615,186**	**177,942,483**
Additions	2,680,795	-	7,287,276	**9,968,071**
Disposals	(2,758,950)	(2,312,737)	-	**(5,071,687)**
Balance as at 31 December 2012	**46,540,212**	**83,396,194**	**52,902,462**	**182,838,867**
Balance as at 1 January 2013	**46,540,212**	**83,396,194**	**52,902,462**	**182,838,867**
Additions	9,685,490	1,951,455	15,568,706	**27,205,651**
Transfers	-	434,504	(434,504)	**-**
Disposals	(55,096)	(15,821)	-	**(70,917)**
Balance as at 31 December 2013	**56,170,606**	**85,766,332**	**68,036,664**	**209,973,601**
Accumulated amortisation				
Balance as at 1 January 2012	**38,308,880**	**40,908,222**	**-**	**79,217,102**
Amortisation for the year	6,902,691	12,607,959	-	**19,510,650**
Accumulated amortisation of disposals	(2,754,509)	(2,312,737)	-	**(5,067,246)**
Balance as at 31 December 2012	**42,457,062**	**51,203,444**	**-**	**93,660,506**
Balance as at 1 January 2013	**42,457,062**	**51,203,444**	**-**	**93,660,506**
Amortisation for the year	6,081,947	12,440,757	-	**18,522,704**
Accumulated amortisation of disposals	(54,915)	(15,821)	-	(70,736)
Balance as at 31 December 2013	**48,484,094**	**63,628,381**	**-**	**112,112,474**
Carrying amounts				
At 1 January 2012	**8,309,487**	**44,800,709**	**45,615,186**	**98,725,381**
At 31 December 2012	**4,083,150**	**32,192,750**	**52,902,462**	**89,178,361**
At 31 December 2013	**7,686,512**	**22,137,951**	**68,036,665**	**97,861,128**

Intangible assets in progress include software for integrated management in amount of RON 65,357,772 as at 31 December 2013 (RON 52,786,720 RON: 31 December 2012).

7. INVENTORIES

As at 31 December 2013 and 31 December 2012 inventories are as follows:

	31-Dec-13	31-Dec-12
Spare parts	212,235,446	211,151,366
Materials and supplies	63,836,706	60,327,451
Nuclear fuel	84,972,997	65,527,279
Uranium	18,487,562	28,654,860
Other inventories	6,764,157	3,136,312
Total	**386,296,868**	**368,797,268**

8. TRADE AND OTHER RECEIVABLES

As at 31 December 2013 and 31 December 2012 trade and other receivables are as follows:

	31-Dec-13	31-Dec-12
Trade receivables	100,178,753	150,690,740
Trade receivables allowance	(14,203,561)	(7,312,781)
Other receivables	64,151,574	21,852,286
Other receivables allowance	(2,500,647)	(2,500,647)
Taxes	49,740,526	-
Total	**197,366,645**	**162,729,598**

As at 31 December 2013, significant trade receivables are: Enel Energie S.A. – RON 21,902,808 (RON 11,010,673: 31 December 2012), CEZ Vanzare SA – RON 19,166,438 (RON 15,923,151: 31 December 2012), Electrica Furnizare S.A – RON 18,607,512 (RON 26,274,851: 31 December 2012), Hidroelectrica SA – RON 11,249,674 (RON 28,773,061: 31 December 2012). The sales made during 2013 to Electrica Furnizare SA represented around 27% (25%: 2012) of the Group’s total revenues and sales made to CEZ Vanzare SA represented around 11% of the Group’s total revenues.

Hidroelectrica SA was in insolvency since June 2012. On 10 June 2013 the Bucharest Court of Appeal obliged Hidroelectria SA to record in its preliminary statement of affairs the Company’s receivable in a total amount of RON 70,093,550 (RON 28.773.061 as receivables and RON 41.320.489 as penalties). On 17 June 2013 the Company and Hidroelectrica SA signed a reschedule agreement for the amount of RON 70,093,550 to be paid by Hidroelectrica SA in 24 equal instalments, the monthly instalments being of around RON 2,920,564. The exit of Hidroelectrica SA from the insolvency procedure took place on 27 June 2013 according to the decision no. 6482/26 June 2013 issued by Bucharest Court. Until the date of these financial statements, Hidroelectrica SA paid 9 instalments according to the reschedule agreement in a total amount of RON 26.285.081. The amount due as at 31 December 2013 is RON 52,570,163 (RON 11,249,674 as trade receivables and RON 41,320,489 as other receivables), while the amount due at the date of these financial statements is RON 43.808.469. As at 31 December 2013 the fair value of the receivable from Hidroelectrica SA is of RON 51,134,927 representing the present value of discounted future cash flows. The difference of RON 1,435,236 up to the gross amount of RON 52,570,163 is recorded as trade receivable allowance.

In February 2014, the Bucharest Court of Appeal cancelled the decision 6482/26 June 2013 issued by the Bucharest Court and sent to the Bucharest Court the contestations made by some creditors of Hidroelectrica SA that were not included in the reorganization plan from June 2013. Currently, Hidroelectrica SA is in insolvency.
The Company’s management estimates that this receivable will be collected as Hidroelectrica paid until the date of these financial statements the amount of RON 26.285.081, the Romanian Government intends to list Hidroelectrica SA after

it exist from the insolvency having the interest to ensure to Hidroelectrica SA the necessary conditions to exist insolvency, Hidroelectrica SA is one of the biggest Romanian energy producer having an installed capacity of 6.400 MWh and it has the advantage of having lower production costs by generating electricity from hydro sources, also it has a potential revenue growth considering the full liberalization of the energy market by the end of 2017.

The Group's exposure to credit and market risks, and impairment losses related to trade receivables are disclosed in Note 22.

9. CASH AND CASH EQUIVALENTS

As at 31 December 2013 and 31 December 2012 cash and cash equivalents are as follows:

	31-Dec-13	31-Dec-12
Cash at bank in RON	748,299,295	705,758,490
Cash at bank in foreign currencies	2,948,317	3,020,621
Total cash and cash equivalents	**751,247,612**	**708,779,111**

10. Equity

Share capital

The Company was formed by separation from the former RENEL. The share capital represents the State contribution at the formation of the Company on 30 June 1998 (restated for inflation to 31 December 2003 as described in Note 3.c) plus subsequent contributions.

As at 31 December 2013, the share capital in amount of RON 3,013,330,303 includes the effect of restatements for hyperinflation relating to prior periods, required by the application IAS 29 "Financial Reporting in Hyperinflationary Economies", as described in Note 3.c). The reconciliation of share capital is as follows:

	31 December 2013	31 December 2012
Statutory share capital (nominal value)	2,817,827,560	2,536,823,610
Restatement difference in accordance with IAS 29	195,502,743	195,502,743
Restated share capital balance	**3,013,330,303**	**2,732,326,353**

In November 2013, the Company issued 28,100,395 shares on the Bucharest Stock Exchange through an initial public offering and through the right of preference exercised by the shareholder Fondul Proprietatea S.A. The amount collected of RON 312,478,099 is made of share capital increase of RON 281,003,950 and a share premium of RON 31,474,149.

The share capital is RON 2,817,827,560 as at 31 December 2013, fully paid (Ron 2,536,823,610: 31 December 2012) which consists of 281,782,756 (31 December 2012: 253,682,361) ordinary shares each having a nominal value of RON 10. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the General Shareholder Meeting.

The shareholders' structure as at 31 December 2013 and 31 December 2012 was as follows:

	31 December 2013		31 December 2012	
Shareholders	**Number of shares**	**% of share capital**	**Number of shares**	**% of share capital**
Romanian state through the Ministry of Economy	229,006,139	81.2705%	229,006,139	90.28%
Fondul Proprietatea	27,408,381	9.7270%	9,895,212	9.72%
Other investors	25,368,236	9.0025%	-	-
	281,782,756	**100%**	**253,682,361**	**100%**

Prepaid share reserve

Prepaid share reserve of RON 215,930,237 as at 31 December 2013 (RON 1,617,236,040: 31 December 2012) represents mainly cash contributions from State Budget towards the Company for construction of nuclear Unit 2 (RON 193,180,018 as at 31 December 2013 and 2012) and for acquisition of heavy water from RAAN related to Units 3 and 4 (nil as at 31 December 2013 and RON 1,382,640,479 as at 31 December 2012). In accordance with GD 365/1998, these non-refundable amounts will be used in the future to increase the Company's share capital.

As a result of the decision to transfer heavy water related to Unit 3 and Unit 4 in amount of RON 1.382.640.479 to the State Reserve (see Note 5), heavy water which was funded from cash contributions from the state budget, the Company has no longer the obligation to issue a total of 138,264,047 shares that were related to these cash contributions. Thus, the amount of RON 1,382,640.479 has been transferred on the face of the consolidated statement of financial position from prepaid share reserve to liabilities related to the transfer of assets as at 31 December 2013.

The number of new shares to be issued for the prepaid share reserve is 19.437.670.

Revaluation reserves

The revaluation reserve is in amount of RON 1,770,574,705 as at 31 December 2013 (RON 1,477,149,783: 31 December 2012). The Company recorded starting with 1 April 2009 a deferred tax liability for revaluation reserve (see Note 13). The Company recognized an increase of the revaluation reserve of RON 356,088,667 following the revaluation of its industrial buildings as at 31 December 2013 (see Note 5).

Retained earnings

Retained earnings represent the accumulated results of the Group. The retained earnings are distributable based on the financial statements prepared in accordance with the Order of the Minister of Public Finance no. 1286/2012 and related amendments, applicable to companies of whose securities are traded on a regulated market. During 2013, the Group has distributed dividends in amount of RON 28,485,137.

11. BORROWINGS

(i) Long term borrowings

As at 31 December 2013 and 31 December 2012 long term borrowings, net of transaction costs are as follows:

	31-Dec-13	31-Dec-12
Loans from foreign banks	1,834,144,312	2,042,784,547
Loans from domestic banks	51,927,673	103,855,345
	1,886,071,985	**2,146,639,892**
Less current portion of long term borrowings	(210,644,364)	(224,558,000)
Total long term borrowings	**1,675,427,622**	**1,922,081,892**

As at 31 December 2013 and 31 December 2012 long term loans from credit institutions are as follows:

Description	31-Dec-13	31-Dec-12
Societe Generale - ALSTOM BC (a)	16,733,437	21,245,771
Societe Generale - ANSALDO BC (b)	293,090,286	323,481,144
Societe Generale - AECL BC (c)	567,934,833	700,374,472
Societe Generale - NEXANS BC (d)	21,020,252	26,688,567
Societe Generale - GENERAL ELECTRIC (e)	38,456,981	49,583,466
EURATOM - (f)	957,483,450	989,814,450
BCR (g)	51,927,675	103,855,346
Total long term loans from credit institutions	**1,946,646,914**	**2,215,043,216**
Less: Current portion of the long term loans	**(210,644,364)**	**(224,558,000)**
Less: Transaction cost for obtaining the loans	**(60,574,928)**	**(68,403,324)**
Total long term loans, net of current amounts	**1,675,427,622**	**1,922,081,892**

Long term loans are detailed as follows:

a) *Loan from Societe Generale – ALSTOM*

The loan was granted by Societe Generale to the Company in 2002. The face value of the loan is EUR 10.7 million. As at 31 December 2013 the outstanding amount is of EUR 3.73 million. Repayment is scheduled over 11 years in 20 instalments from December 2007 until June 2017. The loan bears a variable interest rate of six months EURIBOR plus 0.45% margin. The loan is guaranteed by the Romanian Government through the Ministry of Public Finance. As at 31 December 2013 the outstanding amount is RON 16,733,437.

b) *Loan from Societe Generale – ANSALDO*

The loan was granted by Societe Generale to the Company in 2002. The face value of the loan is EUR 115.3 million. As at 31 December 2013 the total amount outstanding is EUR 65.35 million. Repayment is scheduled over 16 years, in 30 instalments from December 2007 until June 2022. The loan bears a variable interest rate of six months EURIBOR plus 0.45% margin for the first 15 years, and six months EURIBOR plus 0.7% for the remaining period. The loan is guaranteed by the Romanian Government through the Ministry of Public Finance. As at 31 December 2013 the outstanding amount is RON 293,090,286.

c) Loan from Societe Generale – AECL

The loan was granted by Societe Generale to the Company in 2002. The face value of the loan is CAD 327.8 million. As at 31 December 2013 the outstanding amount is of CAD 185.8 million. Repayment is scheduled over 16 years, in 30 instalments from December 2007 until June 2022. The loan bears a variable interest rate of six months CDOR plus 0.375% margin. The loan is guaranteed by the Romanian Government through the Ministry of Public Finance. As at 31 December 2013 the outstanding amount is RON 567,934,833.

d) Loan from Societe Generale – NEXANS

The loan was granted by Societe Generale to the Company in 2002. The face value of the loan is EUR 13.4 million. As at 31 December 2013 the outstanding amount is EUR 4.68 million. Repayment is scheduled over 11 years, in 20 instalments from December 2007 until June 2017. The loan bears a variable interest rate of six months EURIBOR plus 0.45% margin. The loan is guaranteed by the Romanian Government through the Ministry of Public Finance. As at 31 December 2013 the outstanding amount is RON 21,020,252.

e) Loan from Societe Generale – GENERAL ELECTRIC

The loan was granted by Societe Generale to the Company in 2003. The face value of the loan is USD 29.5 million. As at 31 December 2013 the outstanding amount is USD 11.8 million. Repayment is scheduled over 10 years, in 20 instalments from January 2008 until July 2017. The loan bears a variable interest rate of six months LIBOR plus 0.07% margin. The loan is guaranteed by the Romanian Government through the Ministry of Public Finance. As at 31 December 2013 the outstanding amount is RON 38,456,981.

f) Loan from EURATOM

The loan was granted by Euratom to the Company in 2004. The face value of the loan is EUR 223.5 million. As at 31 December 2013 the outstanding amount is EUR 213.5 million, having three parts: (i) first part with an outstanding amount of EUR 90 million; (ii) the second part with an outstanding amount of EUR 90 million and (iii) the third part with an outstanding amount of EUR 33.5 million. The first part is to be reimbursed in 20 instalments during 2013 – 2022, the second one is to be reimbursed in 20 instalments between 2015- 2024 and the third one is to be reimbursed in 16 instalments between 2017 and 2024. The loan bears a variable interest rate of six months EURIBOR plus 0.08% margin for the first two parts and six months EURIBOR plus 0.079% for the third part. The loan is guaranteed by the Romanian Government through the Ministry of Public Finance. As at 31 December 2013 the outstanding amount is RON 957,483,450.

The loan agreement includes certain financial covenants: (i) the debt service ratio should be no less than 1.5; (ii) the gearing ratio should be no greater than 2; (iii) the income received by the borrower should be sufficient to cover all costs of operation and maintenance of Units 1 and 2 and the debt service in connection with Units 1 and 2.

These financial indicators should be determined based on the financial statements prepared in accordance with IFRS.

As at 31 December 2013, the financial covenants applicable to the EURATOM loan are met.

g) Loan from BCR

The loan was contracted from the Romanian Commercial Bank (BCR) by the Ministry of Public Finance and was made available to the Company in 2007. The face value of the loan is RON 285.6 million. As at 31 December 2013 the outstanding amount is RON 51,927,675 and it is to be completely reimbursed during 2014. The repayment is scheduled over 6 years, in 11 instalments from July 2009 until July 2014. The loan bears a variable interest rate of six months BUBOR less a margin of 1.1%.

All the loans contracted by the Company were used for investments in Unit 2.

The Company has not entered into any hedging arrangement against risks regarding obligations in foreign currency or interest rate exposure. The fair value of long-term loans, which was estimated by discounting the future contractual cash flows using current market interest rate available for similar financial instruments do not differ significantly from the values mentioned above.

Guarantees

The loans with foreign banks contracted from Société Générale („SG”) and EURATOM are guaranteed by the Romanian Government through the Ministry of Public Finance. In addition, the loans from SG are guaranteed by external insurers (COFACE, SACE, EDC and Eximbank-New York) and promissory notes issued by the Company in the lender's favour.

(ii) Short term borrowings

As at 31 December 2013 and 31 December 2012 the short term borrowings are as follows:

	31-Dec-13	31-Dec-12
Current portion of the long term borrowings	210,644,364	224,558,000
Accrued interest on long term borrowings	2,141,149	3,685,955
Total short term borrowings	**212,785,513**	**228,243,955**

12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

As at 31 December 2013 and 31 December 2012 trade and other liabilities are as follows:

	31-Dec-13	31-Dec-12
Property, plant and equipment suppliers	66,315,533	87,515,557
Trade payables	130,375,716	140,248,142
Employees benefits	12,779,571	11,619,618
Payables to State	22,375,536	38,038,859
Other payables	11,403,625	5,649,106
Total	**243,249,981**	**283,071,282**

As at 31 December 2013, the main outstanding suppliers were: Candu Energy INC – RON 38,860,218 (RON 53,038,816: 31 December 2012), CN Transelectrica SA – RON 33,977,666 (RON 39,892,341: 31 December 2012) and Ager Business Tech SA, – RON 17,513,555 (RON 177,550: 31 December 2012).

13. INCOME TAXES

Tax recognized in profit or loss

	2013	2012
Current tax expense	103,409,040	51,368,859
Deferred tax release	(13,749,573)	(5,061,273)
Total	**89,659,467**	**46,307,586**

Starting with 1 May 2009, according to the changes in the fiscal treatment of revaluation reserves, in compliance with Government Emergency Ordinance no. 34/2009, amending the Fiscal Code, revaluations recorded by the Group after 1 January 2004 and booked in the statutory financial statements, will be taxed simultaneously with the deduction of the fiscal depreciation, respectively when the assets are disposed, as appropriate. As at 31 December 2013 the Company recognized a deferred tax liability for the revaluation reserve of the property, plant and equipment revaluated.

Tax recognized directly in other comprehensive income (OCI)

	31 December 2013			**31 December 2012**		
	Before tax	**Tax expense**	**Net of tax**	**Before tax**	**Tax expense**	**Net of tax**
PP&E	356,087,677	(62,662,755)	293,424,922	10,397,741	(1,663,639)	8,734,102
Total	**356,087,677**	**(62,662,755)**	**293,424,922**	**10,397,741**	**(1,663,639)**	**8,734,102**

Deferred tax assets and liabilities are measured at the effective tax rate of 16% as at 31 December 2013 (16% as at 31 December 2012), which is the currently enacted tax rate.

Reconciliation of the effective tax rate:

	2013	2012
Profit before income tax	**516,515,009**	**66,185,928**
Income tax at statutory rate of 16%	82,642,401	10,589,749
Effect of non-deductible expenses	9,702,035	5,895,873
Taxed revaluation reserve	4,379,893	31,736,328
Effect of tax exempt income	6,891,645	(713,461)
Deferred tax release	(13,749,573)	(5,061,273)
Effect of other differences	(206,934)	3,860,370
Income tax expense	**89,659,467**	**46,307,586**

Deferred tax consists of the following:

31 December 2013	Assets	Liabilities	Net
PP&E	-	200,581,397	200,581,397
Inventories	-	11,897,221	11,897,221
Employee benefits	(4,193,205)	-	(4,193,205)
Net tax (assets)/liabilities	**(4,193,205)**	**212,478,618**	**208,285,413**

31 December 2012	Assets	Liabilities	Net
PP&E	-	151,299,575	151,299,575
Inventories	-	11,462,980	11,462,980
Employee benefits	(3,390,323)	-	(3,390,323)
Net tax (assets)/liabilities	**(3,390,323)**	**162,762,555**	**159,372,232**

Movement in deferred tax balances during 2012 and 2013 are as follows:

	Balance 1 January 2012	Recognised in profit or loss	Recognised in OCI	Balance 31 December 2012	Recognised in profit or loss	Recognised in OCI	Balance 31 December 2013
PP&E	153,786,255	(4,150,318)	1,663,638	151,299,575	(13,380,933)	62,662,755	200,581,397
Inventories	12,344,063	(881,083)	-	11,462,980	434,241	-	11,897,221
Employee benefits	(3,360,451)	(29,872)	-	(3,390,323)	(802,882)	-	(4,193,205)
Net tax (assets)/liabilities	**162,769,867**	**(5,061,273)**	**1,663,638**	**159,372,232**	**(13,749,574)**	**62,662,755**	**208,285,413**

14. EMPLOYEE BENEFITS

	31-Dec-13	31-Dec-12
Retirement bonuses	16,706,610	15,940,190
Jubilee bonuses	9,500,917	5,249,327
Total	**26,207,527**	**21,189,517**

As at 31 December 2013, the Company has the obligation to pay retirement bonuses that vary between 2 or 3 gross salaries, based on the length of service within the energy sector at the retirement date (defined benefit plan) and jubilee bonuses based on the length of service within the energy sector (other long term employee benefits).

The following assumptions had been accounted for the application of IAS 19 "Employee benefits" as at 31 December 2013 and 31 December 2012:

Valuation date	**31 December 2013**	**31 December 2012**
Number of employees	2,106	2,168
Salary increase rate	0% for 2014 and for 2015 and after that the increase with inflation rate of 3% per year	3% for 2013 and for 2014 and after that the increase with inflation rate of 3% per year
Average real yield	2.8%	3.46%
Mortality table	Mortality rates from Romania 2009-2010	Mortality rates from Romania 2009-2010
Average gross salary	RON 5,388	RON 5,310

The following assumptions were taken into account considering:

- The average real yield is calculated based on the expected inflation rate and on the nominal yield of government bonds on the active market as at December 2013 for durations of 1-10 years;
- The mortality table is as per the National Statistics Institute.

15. SALES OF ELECTRICITY

(i) Revenues from electricity sales

	2013	**2012**
Sales of electricity on regulated market	753,765,846	921,699,074
Sales of electricity on free market	1,071,948,302	630,929,727
Revenues from cogeneration contribution	2,026,490	5,621,982
Revenues from green certificates	1,446,738	6,533,009
Total	**1,829,187,376**	**1,564,783,792**

(ii) Quantity sold

	2013	**2012**
Quantity of energy sold on regulated market (MWh)	5,308,173	7,497,937
Quantity of energy sold on free market (MWh)	5,679,598	3,289,153
Total	**10,987,771**	**10,787,090**

In accordance with the Electricity Law 123/2012, the electricity sector is regulated by the National Agency for Electricity Sector Regulation ("ANRE"), an autonomous public institution. ANRE establishes the tariffs to be used by the Company for selling electricity on the regulated market and also the related quantities.

16. OTHER OPERATING EXPENSES

	2013	2012
Third party services	114,416,455	122,159,687
Expenses with ANDR	94,795,297	101,031,897
Energy and water	78,885,161	74,570,228
Fuels, lubricants and other consumables	33,521,900	36,282,871
Insurance	12,641,785	11,615,374
Transportation and telecommunication	7,833,669	8,114,935
Other operating expenses	60,076,528	54,279,169
Total	**402,170,795**	**408,054,161**

"Other operating expenses" consist mainly of other taxes and provisions expenses.

Contributions to the ANDR

Starting with 2007, following the Government Decision no. 1080/5 September 2007 regarding the safe management of the radioactive waste and the decommissioning of the nuclear installations, the Group is required to make two types of contributions to the ANDR:

- Contribution for the decommissioning of each nuclear unit amounting to 0.6 EUR/MWh of electricity produced and injected in the system.
- Contribution for the permanent storage of radioactive waste of 1.4 EUR/MWh of electricity produced and injected in the system.

According to this legislative act, the annual contribution for decommissioning is paid over the projected useful life of both nuclear units, and the direct annual contribution for permanent storage is paid over the operational period of the nuclear units and consequently, ANDR assumes responsibility for managing the entire decommissioning process at the end of the useful life of the nuclear plants and the storage of resulting waste.

17. FINANCE INCOME AND FINANCE COSTS

	2013	2012
Interest income	41,642,973	40,474,912
Foreign exchange gains	188,083,758	189,410,481
Finance income	**229,726,731**	**229,885,393**
Foreign exchange losses	(143,016,723)	(247,928,023)
Interest expense	(29,522,603)	(72,223,334)
Finance costs	**(172,539,326)**	**(320,151,357)**
Net finance costs	**57,187,405**	**(90,265,964)**

18. OTHER INCOME

	2013	2012
Income from investment subsidies	14,386,437	8,072,300
Income from compensations, fines and penalties	104,591,378	13,081,324
Other income	10,708,790	17,700,958
Total	**129,686,605**	**38,854,582**

In 2013, other incomes are represented mainly by penalties charged to customers who have requested the cessation of electricity sale contracts in amount of RON 45,153,615 and penalties recognised/approved by the Bucharest Court of Appeal in the amount of RON 41,320,478 in the case of insolvency of Hidroelectrica SA and also considering the reschedule agreement signed with Hidroelectrica in June 2013 (see Note 8).

19. GROUP ENTITIES

The Group companies and the percentage of ownership exercised by the Company are as follows:

Entity	Country of origin	31 December 2013 % of total shares	31 December 2012 % of total shares
Energonuclear	Romania	84.65	84.65

Entity	Country of origin	31 December 2013 value of shares	31 December 2012 value of shares
Energonuclear	Romania	123,718,516	123,718,516

As at 31 December 2013 and 2012 other shareholders in EnergoNuclear SA are:

- Arcelor Mittal Galati S.A. – 6.20%;
- Enel Investment Holding BV – 9.15%;

In 2013 EnergoNuclear's activity was carried out in accordance with the provisions of the Revised Investment Agreement (“RIA”) from January 2011 concluded by the EnergoNuclear’s shareholders and the memorandum “Actions necessary to continue the implementation of the Cernavoda NPP Units 3 & 4 Project” (“the Memorandum”) approved by the Romanian Government in November 2012.

By this Memorandum, the Government approved the extension of the validity of the Investment Agreement after 1 January 2013, which provides EnergoNuclear the opportunity to attract new investors and, consequently, to continue the Project through cooperation of the three existing shareholders in EnergoNuclear for a period up to, at the latest, 31 December 2013. Nuclearelectrica is required to buy back the shares held by the existing shareholders (at an amount less or equal to the nominal value of the shares) should the other current shareholders decide not to continue with the investment after 31 December 2013. In this event, as per the Memorandum, EnergoNuclear SA will continue its operations and will be 100% owned by Nuclearelectrica.

In December 2013, the minority shareholders of EnergoNuclear - Enel Investment Holding B.V. and ArcelorMittal Galati S.A. holding together 15.35% of the share capital – decided to exercise their put option. Within 30 days from receipt of such notifications, Nuclearelectrica had the obligation to buy back the shares of the two minority shareholders at an amount equal with 80% of the nominal value of the shares as it was agreed through the Sixth Addendum to the Investment Agreement dated 30 August 2013. Nuclearelectrica bought these shares in January 2014 for a total amount of RON 17,947,585.

i) Continuance of EnergoNuclear

The Company included in the proposed budget for 2014 an amount of RON 40,019,000 to be used to increase the share capital of EnergoNuclear, from which RON 17,947,585 were used in January 2014 to acquire the shares hold by the minority shareholders, as mentioned in the preceding paragraph.

As at 31 December 2013, there are uncertainties regarding the ability of EnergoNuclear S.A. to continue as a going concern. On 25 November 2013, Nuclearelectrica signed a letter of intention with China General Nuclear Power Group (CGN), through which CGN has expressed its interest to become the majority shareholder of EnergoNuclear provided that it is satisfied with the investment conditions. The letter of intent is valid for 180 days. EnergoNuclear's future operations in conjunction with nuclear units 3 and 4 is dependent upon obtaining adequate sources of financing. The overall objective of Nuclearelectrica and of the Romanian Government is to attract a strategic investor to become the main shareholder in EnergoNuclear and that can provide funding and assist in the completion of the project developed by EnergoNuclear.

The support of the Romanian Government for the project developed by EnergoNuclear is reinforced by the two memorandums approved on 20 November 2013, namely the Memorandum of Understanding between the Romanian Ministry of Economy (Department of Energy) and the National Energy Administration from the People's Republic of China regarding cooperation in the nuclear power projects, as well as the memorandum on the topic: Measures for the cooperation with the People's Republic of China regarding the peaceful use of nuclear energy especially for the realization of units 3 and 4 from CNE Cernavoda.

Considering the above, the Company's management is confident that the project developed by EnergoNuclear will continue in the future, as EnergoNuclear will raise the necessary funding, the project will be successfully completed and there will be a future demand for the energy that is going to be produced by EnergoNuclear. Therefore, the management of the Company considers that the investment in EnergoNuclear will be recovered.

ii) The Company's contribution in EnergoNuclear

According to the Governance Decision no. 1565/November 2008, the Company's contribution to EnergoNuclear will consist of the followings: Units 3 and 4 as existing structures and land, the heavy water referring to Units 3 and 4 acquired from own sources, the first load of nuclear fuel, own sources, loans contracted by the Company and guaranteed by the State etc. The estimated construction costs for Units 3 and 4 is around EUR 6.5 billion according to an updated feasibility study prepared by Ernst & Young in 2012.

20. RELATED PARTY TRANSACTIONS

i) Transactions *with state – owned companies*

The Group operates in an economic environment dominated by entities directly controlled by the Government of Romania through its government authorities and agencies, collectively referred to as state-owned companies.

The Group had significant transactions with other state-owned companies: sales of electricity (Electrica Furnizare, FDEE Electrica Distributie Muntenia Nord, FDEE Electrica Distributie Transilvania Nord, FDEE Electrica Distributie Transilvania Sud and OPCOM), purchase of energy transmission services and balancing services (CN Transelectrica SA) and purchase of heavy water (Regia Autonoma pentru Activitati Nucleare - RAAN) and purchases of uranium (Compania Nationala a Uraniului).

The significant transactions and balances with Group related parties during 2013 and 2012 consist of the following:

	Sales		**Receivables as at**	
	2013	**2012**	**31-Dec-13**	**31-Dec-12**
Electrica Furnizare	517,766,456	412,860,736	18,607,512	26,274,851
OPCOM	103,803,598	101,659,515	267,803	2,217,123
FDEE Electrica Distributie Muntenia Nord	49,480,172	34,292,601	-	4,817,844
FDEE Electrica Distributie Transilvania Nord	-	22,415,926	-	2,960,297
FDEE Electrica Distributie Transilvania Sud	-	26,132,426	-	3,586,762
RAAN	-	3,845,215	7,825,064	7,825,064
Complexul Energetic Oltenia	17,087,881	-	-	-
Transelectrica	21,025,100	-	153,890	-
Hidroelectrica	41,163,421	-	52,570,163	28,773,061
Total	**750,326,628**	**601,206,419**	**79,424,432**	**76,455,002**

	Purchases		**Payables as at**	
	2013	**2012**	**31-Dec-13**	**31-Dec-12**
CN Transelectrica SA	155,425,021	130,599,542	33,977,666	39,892,341
Compania Nationala a Uraniului	98,173,839	88,050,340	172,321	11,709,936
Apele Romane Bucuresti	59,173,792	56,215,056	6,270,494	6,004,455
Apele Romane Constanta	10,840,207	11,138,493	1,199,438	1,156,361
Electrica Furnizare	808,767	4,317,750	-	31,161,264
RAAN	-	21,460,000	-	-
OPCOM	25,062,766	9,431,852	-	-
CNCAN	9,832,410	9,900,000	-	-
ANDR	94,795,297	101,031,897	-	-
Total	**454,112,099**	**432,144,930**	**41,619,919**	**89,924,357**

ii) Guarantees received from the Romanian State through the Ministry of Public Finance

All loans are guaranteed by the Romanian State through the Ministry of Public Finance (see Note 11).

iii) Compensation to key management personnel

Compensation to key management personnel for their services is made up of a contractual salary and a performance bonus depending on operating results. Additional fees, compensation and allowances may be paid to management for their services in that capacity, and also for attending board meetings. Upon resignation at the Group's request, the key management personnel is entitled to termination benefits of up to 12 salaries, depending on the number of years completed within the energy sector. The executive and non-executive administrators are paid based on the provisions of the mandate contracts and within the limits approved by the General Shareholders Meeting.

	2013	2012
Short-term employee benefits	4,491,563	3,658,548
	4,491,563	**3,658,548**

21. EARNINGS PER SHARE

As at 31 December 2013 and 31 December 2012, the earnings per share were as follows:

(i) Basic earnings per share

	2013	2012
Net profit for the year attributable to the owners of the Company	427,047,838	19,502,151
Number of ordinary shares at the beginning of the year	253,682,361	253,682,361
Number of ordinary shares issued in November 2013	28,100,395	-
Weighted average number of ordinary shares as at 31 December	**258,365,760**	**253,682,361**
Basic earnings per share (RON/share)	**1.65**	**0.08**

(ii) Diluted earnings per share

	2013	2012
Net profit for the year attributable to the owners of the Company	427,047,838	19,502,151
Number of ordinary shares at the beginning of the year	253,682,361	253,682,361
Number of shares issued during the year	28,100,395	-
Weighted average number of ordinary shares as at 31 December (a)	258,365,760	253,682,361
Number of shares corresponding to prepaid share reserve (b) (see Note 10)	19,437,670	157,701,718
Weighted average number of ordinary (diluted) shares as at 31 December (a) + (b)	**277,803,430**	**411,384,079**
Diluted earnings per share (RON/share)	**1.54**	**0.05**

22. FINANCIAL RISK MANAGEMENT

(i) ***Financial risk factors***

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest rate risk and currency risk).The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group does not have formal arrangements to mitigate financial risks. Despite the fact that no formal arrangements are in place, the financial risks are monitored by top level management considering the financial needs of the Group in order to make sure that the opportunities and threats are matched efficiently. The financial department prepares daily cash flow forecasts which help the management in the process of taking decisions.

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments.

a) Currency risk

The Group is exposed to the changes in the foreign exchange rates mainly due to its long term borrowings and payables denominated in foreign currencies.

The Group's functional currency is RON. The Group is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily EUR, USD and CAD. The long-term borrowings are denominated in foreign currencies, which are retranslated at the prevailing exchange rate at each reporting date, as communicated by Romanian National Bank. The resulting differences are charged or credited to profit or loss, but do not affect cash flows until the settlement of the amount.

The Group's exposure to foreign currency risk expressed in RON, was as follows:

	Carrying amount (*)	**RON**	**EUR**	**USD**	**CAD**
31 December 2013					
Trade Payables & Suppliers of PP&E	**(196,691,249)**	(133,574,631)	(2,394,779)	(18,304,865)	(42,416,974)
Borrowings (*)	**(1,946,646,913)**	(51,927,673)	(1,288,327,426)	(38,456,981)	(567,934,833)
Gross exposure in the consolidated statement of financial position	**(2,143,338,162)**	**(185,502,304)**	**(1,290,722,205)**	**(56,761,846)**	**(610,351,807)**

	Carrying amount	**RON**	**EUR**	**USD**	**CAD**
31 December 2012					
Trade Payables & Suppliers of PP&E	**(227,763,699)**	(155,466,492)	-	(8,757,176)	(63,540,031)
Borrowings (*)	**(2,215,043,216)**	(103,855,346)	(1,361,229,932)	(49,583,466)	(700,374,472)
Gross exposure in the consolidated statement of financial position	**(2,442,806,915)**	**(259,321,838)**	**(1,361,229,932)**	**(58,340,642)**	**(763,914,503)**

(*) Gross carrying amount, before deduction of transaction costs.

The following significant exchange rates were used:

	Average rate		Exchange rate as at	
	2013	**2012**	**31 December 2013**	**31 December 2012**
1 EUR	4.4190	4.4560	4.4847	4.4287
1 USD	3.3279	3.4682	3.2551	3.3575
1 CAD	3.2311	3.4701	3.0575	3.3736

Sensitivity analysis

A 10 percent strengthening of the RON against the following currencies at 31 December 2013 and 31 December 2012 would have increased profit by the amounts shown below. This analysis assumes that all other variables remain constant.

	2013 Profit	**2012 Profit**
EUR	129,072,221	136,325,089
USD	5,397,422	5,834,064
CAD	61,193,568	75,990,985
Total	**195,663,211**	**218,150,138**

A 10 percent weakening of the RON against the following currencies at 31 December 2013 and 31 December 2012 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

	2013 Loss	**2012 Loss**
EUR	(129,072,221)	(136,325,089)
USD	(5,397,422)	(5,834,064)
CAD	(61,193,568)	(75,990,985)
Total	**(195,663,211)**	**(218,150,138)**

b) Interest rate rick

The Group’s operating cash flows are impacted mainly by the changes in interest rates, due to the foreign long term borrowings the Group contracted. The Group has significant long term borrowings with variable interest rates, that expose the Group to significant cash flow risk and all bank deposits irrespective of maturity bear fixed interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Carrying amount (*)	
	31-Dec-13	**31-Dec-12**
Fixed rate instruments		
Financial assets	1,193,866,649	680,504,213
	1,193,866,649	**680,504,213**
Variable rate instruments		
Financial liabilities	(1,946,646,913)	(2,215,043,216)
	(1,946,646,913)	**(2,215,043,216)**

(*) Gross carrying amount, before deduction of transaction costs.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp Increase	**100 bp Decrease**
31 December 2013		
Variable rate instruments	(19,466,469)	19,466,469
Cash flow sensitivity (net)	**(19,466,469)**	**19,466,469**
31 December 2012		
Variable rate instruments	(22,150,432)	22,150,432
Cash flow sensitivity (net)	**(22,150,432)**	**22,150,432**

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Group's receivables from customers and investment securities.

Financial assets, which potentially subject the Group to credit risk, consist principally of trade receivables, cash and cash equivalents and bank deposits. The Group has policies in place to ensure that sales of electricity are made to customers with an appropriate credit history. The carrying amount of accounts receivable, net of impairment adjustment, represents the maximum amount exposed to credit risk.

Cash is placed in financial institutions, which are considered to have minimal risk of default, principally in Banca Comerciala Romana and BRD - Groupe Societe Generale.

The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	31-Dec-13	**31-Dec-12**
Financial assets		
Trade receivables	85,975,192	143,377,959
Bank deposits	704,525,705	234,504,213
Cash and cash equivalents	751,247,612	708,779,111
Other receivables	111,391,453	19,351,639
	1,653,139,962	**1,106,012,922**

The ageing of trade receivables at the reporting date is:

	Gross 31 December 2013	**Impairment 31 December 2013**	**Gross 31 December 2012**	**Impairment 31 December 2012**
Neither past due nor impaired	82,642,745	-	101,360,959	-
Past due 1 – 30 days	267,052	-	2,280,070	-
Past due 31 – 90 days	132,427	-	5,154,362	-
Past due 91 – 180 days	72,733	-	3,349,417	-
Past due 181 – 270 days	781,708	-	12,394	-
Past due 271 – 365 days	38,116	-	33,062	-
Past due more than one year	16,243,973	(14,203,561)	38,500,475	(7,312,781)
Total	**100,178,754**	**(14,203,561)**	**150,690,739**	**(7,312,781)**

The ageing of other receivables at reporting date is:

	Gross 31 December 2013	**Impairment 31 December 2013**	**Gross 31 December 2012**	**Impairment 31 December 2012**
Neither past due nor impaired	111,382,343	-	19,321,966	-
Past due more than one year	2,509,757	(2,500,647)	2,530,320	(2,500,647)
Total	**113,892,100**	**(2,500,647)**	**21,852,286**	**(2,500,647)**

The movement in the allowance for doubtful debts in respect of trade receivables during the year was as follows:

	31-Dec-13	**31-Dec-12**
Balance at 1 January	(7,312,781)	(6,055,256)
Impairment loss recognized, net	(6,890,780)	(1,257,524)
Balance at year end	**(14,203,561)**	**(7,312,780)**

d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Company aims to maintain flexibility in funding by obtaining financing through various funding sources.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amount (*)	Contractual amount	12 months or less	Between 1-2 years	Between 2-5 years	Over 5 years
31 December 2013						
Financial liabilities						
Borrowings **(*)**	1,946,646,913	2,027,043,274	234,070,898	222,158,541	665,632,959	905,180,876
Trade Payables & Suppliers of PP&E	196,691,249	196,691,249	196,691,249			
Other payables	46,558,733	46,558,733	46,558,733			
	2,189,896,895	**2,270,293,256**	**477,320,880**	**222,158,541**	**665,632,959**	**905,180,876**

	Carrying amount	Contractual amount	12 months or less	Between 1-2 years	Between 2-5 years	Over 5 years
31 December 2012						
Financial liabilities						
Borrowings **(*)**	2,215,043,216	2,393,727,236	258,749,785	253,614,598	717,858,212	1,163,504,641
Trade Payables & Suppliers of PP&E	227,763,699	227,763,699	227,763,699	-	-	-
Other payables	55,307,582	55,307,582	55,307,582	-	-	-
	2,498,114,497	**2,676,798,517**	**541,821,066**	**253,614,598**	**717,858,212**	**1,163,504,641**

(*) Gross carrying amount, before deduction of transaction costs.

(ii) *Capital management*

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

e) Fair value of financial instruments

Fair value is the amount for which the financial instrument may change in usual transactions conducted in objective conditions between willing knowingly parties, other than those caused by liquidation or forced sale. Fair values are obtained from quoted market prices or discounted cash flow models as appropriate. At 31 December 2013, management considers that the fair values of cash and cash equivalents, trade receivables and other receivables, trade payables, loans and other short term liabilities approximate their carrying value. The carrying amount of loans is amortized cost.

	Carrying amount	Fair value	Level
31 December 2013			
Financial assets			
Net trade receivables	85,975,192	85,975,192	-
Cash and cash equivalents	751,247,612	751,247,612	-
Bank deposits	704,525,705	704,525,705	-
Net other receivables	111,391,453	111,391,453	-
	1,653,139,962	**1,653,139,962**	

	Carrying amount	Fair value	Level
31 December 2013			
Long term financial liabilities			
Long term financial borrowings	1,675,427,622	1,675,427,622	**2**
	1,675,427,622	**1,675,427,622**	
Current financial liabilities			
Trade Payables, including Suppliers of PP&E	196,691,249	196,691,249	-
Borrowings	212,785,513	212,785,513	**2**
Employee benefits and other payables	46,558,732	46,558,732	-
	456,035,494	**456,035,494**	

23. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

(i) Taxation

The Romanian taxation system has just undergone a process of consolidation and harmonisation with the European Union legislation. However, there are still different interpretations of the fiscal legislation. In various circumstances, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties. In Romania, tax periods remain open for 5 years. The Group's management considers that the tax liabilities included in these financial statements are fairly stated, and they are not aware of any circumstances which may give rise to a potential material liability in this respect.

(ii) Insurance policies

As at 31 December 2013, the following operational insurances are in force:

• Property insurance policy for accidental loss, destruction and damage including loss by nuclear perils or breakdown of machinery and plant to insured property (Cernavoda NPP Units 1 and 2 and Nuclear Fuel Plant). Compensation limit is subject to a maximum of USD 1,500 million in the annual aggregate for all losses.

• Third party liability insurance policy for nuclear damages. Compensation limit is SDR 300 million (for Cernavoda NPP Units 1 and 2).

(iii) Environmental matters

The Group has not recorded any liability as at 31 December 2013 and 31 December 2012 for any anticipated costs, including legal and consulting fees, site studies, the design and implementation of remediation plans, related to environmental matters.

The liability for decommissioning and clean-up of nuclear installations has been taken over by ANDR (Note 5). Management considers the plant is fully compliant with Romanian and international environmental standards and estimates that additional costs associated with environmental compliance at 31 December 2013 are not significant. Furthermore, the Group is insured against the risk of nuclear accidents, up to an amount of SDR 300 million, as described in section (ii) above.

However, the enforcement of environmental regulation in Romania is evolving and the enforcement posture of government authorities is continuously being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigations or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

(iv) Legal proceedings

During 2013, the Group was involved in a number of litigations arising in its normal course of activity. The management of the Group regularly analyses the ongoing litigations and, after consulting with its legal representatives and external lawyers, decides whether or not to create a provision for the amounts involved or to disclose any litigation in the financial statements.

In the opinion of the Group's management, at the moment there are no litigations or disputes which may have a significant impact on the Group's financial result and financial position and which have not been disclosed in these financial statements.

(v) Commitments

As at 31 December 2013, the Group is committed to incur capital and operational expenditure of approximately RON 688 million.

24. SUBSEQUENT EVENTS

In the General Shareholders Meeting from 11 March 2014 have been approved the followings:

a) Company's participation to the share capital increase of Hidro Tarnita SA by subscribing a number of 90,000 new shares with a nominal value of RON 100 issued by Hidro Tarnita SA. Hidro Tarnita SA is the project company that intends to build Tarnita-Lapustesti Pump Storage Hydropower Plant.
b) Company'participation in the set-up of the project company HVDCC Romania – Turcia SA by subscribing and payment of the equivalent in RON of 2,000,000 shares with a nominal value of EUR 1. HVDCC Romania – Turcia SA is the project company that intends to build a 400Kv Submarine Cable between Romania and Turkey.
c) Changing the destination and use of Unit 5 for other activities of the Company.

Hidroelectrica S.A.

In February 2014, the Bucharest Court of Appeal cancelled the decision no. 6482 / 26 June 2013 issued by the Bucharest Court through which Hidroelectrica exit from insolvency and sent to the Bucharest Court the appeals made by some creditors of Hidroelectrica SA, which were not included in the reorganization plan from June 2013 (see Note 8). At the time of these financial statements, Hidroelectrica is in insolvency.

EnergoNuclear S.A.

In January 2014, the Company bought the shares held by Enel Investment Holding B.V. and ArcelorMittal Galati S.A. in EnergoNuclear for a total of RON 17,947,585 as they exercised their put options in December 2013 (see Note 19).

Daniela Lulache	Mihai Darie
Chief Executive Officer	Chief Financial Officer