



SN Nuclearelectrica SA

**Individual Interim Condensed Unaudited Financial Statements
as at and for the period of three months ended
31 March 2015**

Prepared in accordance with the
Ministry of Finance Order no. 1286/2012 for
the approval of accounting regulations conforming to
International Financial Reporting Standards,
applicable to companies whose shares are traded
on a regulated market and related amendments
based on
the International Accounting Standard 34 – “*Interim Financial Reporting*”
as adopted by the European Union

SN Nuclearelectrica SA

Condensed Individual Financial Position as at 31 March 2015

(All the amounts are expressed in RON, unless specified otherwise)

		31 March 2015 (unaudited)	31 December 2014 (audited)
	Note		
Assets			
Non-current assets			
Property, plant and equipment	4	7.709.236.688	7.789.583.632
Intangible assets		90.868.906	94.558.653
Financial instruments	5	141.686.201	141.686.201
Total non-current assets		7.941.691.795	8.025.828.486
Current assets			
Inventories	6	383.932.091	397.665.497
Trade and other receivables	7	174.694.147	240.118.861
Prepayments		27.447.011	18.546.205
Bank deposits		175.931.825	31.442.715
Cash and cash equivalents	8	1.187.680.773	1.152.298.625
Total current assets		1.949.685.847	1.840.071.903
Total assets		9.891.377.642	9.865.900.389
Equity			
Capital and reserves			
Share capital, out of which:	9	3.207.713.153	3.013.330.303
<i>Subscribed and paid in share capital</i>		<i>3.012.210.410</i>	<i>2.817.827.560</i>
<i>Inflation adjustment to share capital</i>		<i>195.502.743</i>	<i>195.502.743</i>
Share premium	9	31.474.149	31.474.149
Prepaid share reserve	9	24.498.784	217.820.977
Revaluation reserve	9	307.593.076	313.405.061
Retained earnings	9	3.953.471.964	3.912.224.643
Total shareholder's equity		7.524.751.126	7.488.255.133
Liabilities			
Non-current liabilities			
Long term borrowings	10	1.461.345.917	1.496.191.642
Deferred income long term		168.549.774	172.135.939
Deferred income tax liability		195.239.180	197.598.967
Employee's benefits		33.267.120	33.267.120
Total non-current liabilities		1.858.401.991	1.899.193.668
Current liabilities			
Accounts payable and other liabilities	11	255.373.352	244.366.147
Current tax liability		18.202.777	4.495.676
Deferred income		27.651.321	24.909.505
Current portion of long term borrowings	11	206.997.075	204.680.260
Total current liabilities		508.224.525	478.451.588
Total liabilities		2.366.626.516	2.377.645.256
Total equity and liabilities		9.891.377.642	9.865.900.389

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SN Nuclearelectrica SA

Condensed Individual Profit and Loss Account for the three months period ended as at 31 March 2015

(All the amounts are expressed in RON; unless otherwise indicated)

	Note	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited, restated)
Revenues			
Sales of electricity	<u>13</u>	440.292.937	433.304.900
Electricity transmission revenues		28.497.774	28.227.966
Total revenues		468.790.711	461.532.866
Other income		17.640.130	20.393.217
Operating expenses			
Depreciation and amortization		(116.041.804)	(110.301.628)
Personnel expenses		(65.116.255)	(68.514.307)
Cost of traded electricity		(6.887.794)	(3.579.992)
Repairs and maintenance		(15.295.853)	(13.154.705)
Electricity transportation expenses		(28.497.774)	(28.227.966)
Costs with spare parts		(3.195.919)	(5.434.906)
Cost of uranium fuel		(42.354.421)	(36.034.089)
Other operating expenses	<u>14</u>	(164.815.573)	(197.533.925)
Total operating expenses		(442.207.393)	(462.781.517)
Operating result		44.223.448	19.144.566
Finance cost		(33.571.817)	(12.725.899)
Finance income		41.626.695	49.545.192
Net finance cost	15	8.054.878	(36.819.293)
Profit before income tax		52.278.326	55.963.859
Income tax expenses	<u>11</u>	(16.842.990)	(24.963.296)
Net profit		35.435.336	31.899.562

The individual interim condensed financial statements presented at pages 1-22 were signed as at 13.05.2015 by:

Daniela Lulache
Chief Executive OfficerMihai Darie
Chief Financial Officer*The accompanying notes 1-18 are an integral part of these financial statements**The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

SN Nuclearelectrica SA

Condensed Individual Statement of the Comprehensive result for the three months period ended as at 31 March 2015

(All the amounts are expressed in RON; unless otherwise indicated)

		3 months period ended at as 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited, restated)
Profit for the period		35.435.336	31.899.562
Other items of the comprehensive income		-	-
Comprehensive income		35.435.336	31.899.562
Basic earnings per share (lei/share)	<u>16</u>	0,12	0,11
Diluted earnings per share (lei/share)	<u>16</u>	0,12	0,11

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SN Nuclearelectrica SA

Condensed Individual Statement of Changes in Equity for the three months period ended as at 31 March 2015

(All the amounts are expressed in RON; unless otherwise indicated)

Note	Share capital	Share capital premiums	Prepaid share reserve	Reevaluation reserve	Retained earnings	Total equity
Balance at January 1st 2014 (audited)	3.013.330.303	31.474.149	215.930.237	337.713.566	4.099.989.096	7.698.437.351
Comprehensive income for the period						
<i>Previously reported period profit</i>	-	-	-	-	101.814.904	101.814.904
Modifications impact in the accounting policies	-	-	-	-	(69.915.342)	(69.915.342)
<i>Other elements of comprehensive income</i>	-	-	-	-	-	-
Total comprehensive income for the period, restated	-	-	-	-	31.899.562	31.899.562
Transfer of revaluation reserve	9	-	-	(6.737.560)	6.737.560	-
Other items					(15.424)	(15.424)
Balance at March 31st 2015 (unaudited, restated)	3.013.330.303	31.474.149	215.930.237	330.976.006	4.138.610.795	7.730.321.490

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SN Nuclearelectrica SA

Condensed Individual Statement of Changes in Equity for the three months period ended as at 31 March 2015

(All the amounts are expressed in RON; unless otherwise indicated)

	Note	Share capital	Share capital premiums	Prepaid share reserve	Reevaluation reserve	Reported result	Total own capitals
Balance at January 1st 2015 (audited)		3.013.330.303	31.474.149	217.820.977	313.405.061	3.912.224.643	7.488.255.133
Comprehensive income for the period							
<i>Profit for the period</i>		-	-	-	-	35.435.336	35.435.336
<i>Other elements of the comprehensive income</i>		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	35.435.336	35.435.336
Shares issuing	<u>9</u>	194.382.850	-	(194.376.700)	-	-	6.150
Prepaid reserve increase	<u>9</u>			1.054.507			1.054.507
Transfer of revaluation reserve	<u>9</u>	-	-	-	(5.811.985)	5.811.985	-
Balance at March 31st 2015 (unaudited, restated)		3.207.713.153	31.474.149	24.498.784	307.593.076	3.953.471.964	7.524.751.126

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SN Nuclearelectrica SA

Condensed Individual Statement of Cash Flows for the three months period ended as at 31 March 2015

(All the amounts are expressed in RON; unless otherwise indicated)

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited, restated)
Cash flows from operating activities		
Profit before income tax	52.278.326	55.963.859
Adjustments for:		
Depreciation and amortization	116.041.804	110.301.628
Impairment loss on trade and other receivables	578	10.803
Provisions	2.400.917	1.317.404
Gains from non-current assets sold	(80.698)	(94.221)
Net finance income	(9.307.514)	(36.819.293)
Changes in:		
Decrease/(Increase) in trade and other receivables	66.240.786	(75.568.600)
Decrease in inventories	13.733.406	8.132.000
(Decrease)/Increase in deferred income	(844.349)	10.723.805
(Decrease) in prepayments	(8.900.806)	(11.497.952)
Increase in accounts payable and other liabilities	33.617.112	29.775.201
Cash generated from operating activities	265.179.562	92.244.634
Income tax paid	(5.495.676)	(35.967.180)
Interest received	4.747.544	14.076.528
Interest paid	(1.048.547)	(3.526.477)
Net cash from operating activities	263.382.883	66.827.504
Cash flows from investing activities		
Purchase of intangible assets	(1.859.022)	(100.090)
Purchase of property, plant and equipment	(53.807.482)	(65.849.247)
Proceeds from the sale of property, plant and equipment	80.698	197.618
Decrease/(Increase) in bank deposits	(144.489.110)	671.000.000
Investment in EnergoNuclear	-	(17.947.585)
Net cash from investing activities	(200.074.916)	587.300.696
Cash flow used in financing activities		
Repayments of long term borrowings	(27.855.156)	(53.194.459)
Payments of dividends	(76.813)	-
Shares issuance	6.150	-
Net cash flow used in financing activities	(27.925.819)	(53.194.459)
Net increase in cash and cash equivalents	35.382.148	600.933.741
Cash and cash equivalents as at 1 January (see Note 8)	1.152.298.625	739.280.253
Cash and cash equivalents as at 31 March (see Note 8)	1.187.680.773	1.340.213.994

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Notes to the Condensed Individual Financial Statements prepared as at and for the period of three months ended 31 March 2015
(All the amounts are in RON; unless otherwise indicated)

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 main operating location is in Cernavoda, Constanta country, where the Company has two operating nuclear reactors (Nuclear Power Plant Units 1 and 2), two nuclear reactors in incipient construction phase (Units 3-4) and a reactor (Unit 5), for which the company shareholders have approved the destination change. The construction of the Units 3 and 4 was planned to be completed by Energonuclear; currently, there is a new strategy for the continuation of the project of Units 3 and 4, approved by the General Extraordinary Meeting of SNN Shareholders from August 22nd 2014 (for more information, see Note 5). The two operational nuclear reactors are based on the CANDU technology (Canada Deuterium Uranium, type PHWR).

Unit 5 is depreciated 100% because there is no plan for its construction to be continued. In March 2014, the company shareholders have approved the use of Unit 5 for the execution of the activities connected to the operation of the Units 1 and 2.

The main company activity is the generation of electricity by operating Units 1 and 2.

According to the Electricity Law no. 123/2012, the energy sector is regulated by the National Energy Regulation Authority („ANRE”), autonomous public institution. ANRE establishes, through annual decisions, the tariffs that are going to be used by the company for selling the electricity on the regulated market. In the three months period concluded at March 31st 2015, the company has sold approximately 21% of the energy on the regulated market (36% in the three months period ended at March 31st 2014). The total quantity of electricity sold in the three months period concluded at March 31st 2015 is of 2.793.437 MWh, compared to 2.824.720 MWh, sold in the three months period ended at March 31st 2014. The average sales price of the electricity on the regulated market in the three months period ended at March 31st 2015 is of 158,64 RON/MWh, compared to 156,86 RON/MWh in the three months period ended at March 31st 2014, value without the tariff for the electricity transport service paid by Transelectrica for the introduction of the electric power in the electric power transport grid.

Starting with November 4th 2013, the company shares are transacted on Bucharest Stock Exchange Market, having the issuing symbol SNN.

As described in the Note 9, at March 31st 2015, the company shareholders are: the Romanian state through the Ministry of Energy, Small and Medium Sized Enterprises and Business Environment, owing 248.443.809 shares representing 82,4789% from the share capital, Fondul Proprietatea SA, owing 27.408.381 shares representing 9,0991% of the share capital and other shareholders, owing together 25.368.851 shares, representing 8,4220% from the share capital.

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Notes to the Condensed Individual Financial Statements prepared as at and for the period of three months ended 31 March 2015
(All the amounts are in RON; unless otherwise indicated)

2. BASIS OF PREPARATION

a) Statement of compliance

The condensed individual financial statements were prepared in accordance with OMFP 1286/2012 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards (IFRS), applicable to companies whose securities are traded on a regulated market and related amendments (“OMFP 1286/2012”). As per the OMFP 1286/2012, the International Financial Reporting Standards represent the standards adopted in accordance with the procedure provided by the European Commission Regulation no. 1.606/2002 of the European Parliament and Council dated on July 19th 2002 regarding the application of the international accounting standards.

These interim individual financial statements were prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union. They do not include all the necessary information for a complete set of financial situations according to the International Financial Reporting Standards („IFRS”) and they must be read along with the annual financial statements of the company, issued at December 31st 2014. Nevertheless, certain explanatory notes are included in order to explain the events and transactions that are significant for understanding the modifications interfered in the financial position and in the company performance from the last individual annual financial statements and for the financial year ended at December 31st 2014.

The condensed interim individual financial statements as at and for the period ended 31 March 2015 are not audited and were not reviewed by an independent auditor.

The condensed interim individual financial statements were authorized to be issued and signed as at 13 May 2015 by the management of the Company.

b) Use of estimates and judgments

The preparation of the condensed individual financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may vary from the estimated values.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 is included in Note 5 i) (key assumptions relating to the continuance of the project developed by EnergoNuclear).

The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the individual financial statements as at and for the year ended 31 December 2014.

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Notes to the Condensed Individual Financial Statements prepared as at and for the period of three months ended 31 March 2015
(All the amounts are in RON; unless otherwise indicated)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of the condensed individual interim financial statements are in compliance with the ones used for the preparation of the annual individual financial statements of the Company, for the financial year ended as at 31 December 2014, with the exception of the ones mentioned below.

New standards and interpretations in force for the annual periods starting with January 1st 2015.

The company has applied for the issuing of these condensed individual interim financial statements the interpretation of IFRIC 21 Levies, in force for the annual periods beginning on or after June 17th 2014 – according to IFRS-EU, applicable, as well, within the interim reports.

IFRIC 21 is applicable retrospectively to all levies imposed by the government authorities under legislation, other than those covered by other standards (ex. IAS 12 Income Taxes), fines and other penalties for breach the law. The nature and effects of this implementing for the company are described bellow:

i. Trade receivables and other liabilities

As a consequence of implementing IFRIC 21, the company has amended the accounting policies regarding the time of recognition of the tax on special constructions and the local fees and taxes.

According to IFRIC 21, the company recognizes the liability for a levy no earlier than when the activity which triggers the payment, as identified by law, applies. In addition, a liability is accrued on a progressive basis to the extent the activity which triggers the payment occurs over a period of time.

IFRIC 21 specifies that this interpretation does not address the registration method of the counterparty of the liability (respectively assets or expenses), but specifies the fact that an asset is recognized in case the liability was paid in advance and there is no current payment obligation.

The company considers that the liability recognition time is determined by the existence in its patrimony of the assets that represent the taxation base and, consequently, the liability regarding the tax on special constructions and the local fees and taxes are integrally recognized from January 1st in counterparty with the related expenses. The amounts paid before the term specified by the related legislation are recognized as payments made in advance and restated later.

Were appropriate, the comparative values have been amended/restated in order to comply to the presentation changes implemented in the current year. The following table summarizes the effect of such changes upon the condensed individual profit and loss account and on the condensed individual financial statement of the cash flows as at March 31st 2014.

Condensed individual profit and loss account

	Three months period ended at March 31st 2015 (Previously reported)	Three months period ended at March 31st 2014 (restated)	Accounting policies changes effect
Operating expenses			
Other operating expenses	(127.618.583)	(197.533.925)	(69.915.342)
Profit for the period	101.814.904	31.899.562	(69.915.342)

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Notes to the Condensed Individual Financial Statements prepared as at and for the period of three months ended 31 March 2015
(All the amounts are in RON; unless otherwise indicated)

Condensed Individual Statement of Cash Flows

	Three months period ended at March 31st 2015 (Previously reported)	Three months period ended at March 31st 2014 (restated)	Accounting policies changes effect
Cash flows from operating activities			
Profit before the income tax	125.879.201	55.963.859	(69.915.342)
Adjustments:	74.716.321	74.716.321	-
Modifications in:			
(Increase) Trade receivables and other receivables	(75.568.600)	(75.568.600)	-
Decrease in inventories	8.132.000	8.132.000	-
Increase of deferred income	10.723.805	10.723.805	-
(Increase) in prepayments	(11.916.782)	(11.497.952)	418.830
(Decrease)/Increase in trade receivables and other receivables	(39.721.311)	29.775.201	69.496.512
Cash flows from the operating activity	92.244.634	92.244.634	-
Net cash from the operating activity	66.827.504	66.827.504	-
Net cash from the investing activity	587.300.696	587.300.696	-
Net cash used in the financing activity	(53.194.459)	(53.194.459)	-
Net increase in cash and cash equivalents	600.933.741	600.933.741	-
Cash and cash equivalents at January 1st	739.280.253	739.280.253	-
Cash and cash equivalents at the end of the period	1.340.213.994	1.340.213.994	-

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4. PROPERTY, PLANT AND EQUIPMENT

	Lands	Nuclear power plants	Machinery, equipment and other assets	Assets under construction	TOTAL
Cost					
Balance at January 1st 2014 (audited)	26.798.388	5.877.495.178	1.253.792.375	1.170.764.228	8.328.850.169
Additions	1.890.740	-	6.288.291	156.468.673	164.647.704
Transfers	-	194.699.813	121.209.147	(315.908.960)	-
Disposals	-	-	(3.887.640)	(25.785.183)	(29.672.823)
Amortization settlement	(27.041)	-	32.467.989	10.023.082	42.464.030
Balance at December 31st 2014 (audited)	28.662.087	6.072.194.991	1.409.870.162	995.561.840	8.506.289.080
Balance at January 1st 2015 (audited)	28.662.087	6.072.194.991	1.409.870.162	995.561.840	8.506.289.080
Additions	1.054.507	-	549.692	28.441.892	30.046.091
Transfers	-	1.534.179	44.852.858	(46.387.037)	-
Disposals	-	-	(473.041)	-	(473.041)
Spare parts transfer	-	-	76.805	(76.805)	-
Balance at March 31st 2015 (unaudited)	29.716.594	6.073.729.170	1.454.876.476	977.539.890	8.535.862.130
Depreciation and impairment losses					
Balance at 1 January 2014 (audited)	155.515	-	106.192.528	164.524.102	270.872.145
Depreciation charges	77.757	334.518.634	97.768.239	-	432.364.630
Accumulated depreciation of disposals	-	-	(3.288.904)	-	(3.288.904)
Adjustments for intangible assets depreciation	-	-	18.714	(25.725.167)	(25.706.453)
Impairment settlement	-	-	42.464.030	-	42.464.030
Balance at December 31st 2014 (audited)	233.272	334.518.634	243.154.607	138.798.935	716.705.448
Balance at January 1st 2014 (audited)	233.272	334.518.634	243.154.607	138.798.935	716.705.448
Depreciation charges	19.440	84.723.058	25.277.496	-	110.019.994
Balance at March 31st 2015 (unaudited)	252.712	419.241.692	268.432.103	138.798.935	826.725.442
Carrying amounts					
Balance at January 1st 2014 (audited)	26.642.873	5.877.495.178	1.147.599.847	1.006.240.126	8.057.978.024
Balance at December 31st 2014 (audited)	28.428.815	5.737.676.357	1.166.715.555	856.762.905	7.789.583.632
Balance at March 31st 2015 (unaudited)	29.463.882	5.654.487.478	1.186.444.373	838.740.955	7.709.136.688

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The machinery, equipments and other assets contain, mainly, the heavy water first load used for the Units 1 and 2, with a net carrying amount at March 31st 2015 of 419.229.556 RON (December 31st 2014: 424.243.208 RON) and buildings with a net carrying amount at March 31st 2015 of 325.439.403 RON (December 31st 2014: 323.012.331 RON).

At March 31st 2015, the carrying amount of the Units 3-4, recognized within the group „Intangible assets under construction”, is of 273.960.000 RON (December 2014: 273.960.000 RON). Before 1991, the units 1, 2, 3, 4 and 5 have been considered a single project and, consequently, the executed constructions works have not been allotted at each unit level. Later on, the company has made the allotting of the construction costs for the units 3 and 4 of the nuclear power plant.

The carrying amount of the heavy water specially purchased for the units 3 and 4 is of 158.470.146 RON (December 31st 2014: 158.470.146 RON). These elements are presented within the group „Intangible assets under construction”. The total quantity of heavy water necessary for the units 3 and 4 is of 1.100 tons.

The main investments made by the company during the three months period ended at March 31st 2015 for the projects under construction related to the Units 1 and 2 contain:

- The construction of storage areas and loading for the nuclear fuel used, in amount of 955.007 RON (December 31st 2014: 26.115.253 RON);
- Refurbishment and extension of the physical protection system from NPP Cernavoda, in amount of 4.117.189 RON (December 31st 2014: 30.157.495 RON);
- Improvement of the nuclear safety systems, in amount of 0 RON (December 31st 2014: 12.170.196 RON);
- Detritiation installation D2O, in amount of 1.794.397 RON (December 31st 2014: 16.842.183 RON).

The main investments started up during the three months period ended at March 31st 2015 refer, mainly, to: access control point no. 3, in amount of 6.201.264 RON, centralized back-up system in amount of 1.010.980 RON, private cloud type datacenter system in amount of 8.399.543 RON and a burglary alarm system – stage 1, in amount of 23.699.522 RON.

At March 31st 2015, the carrying amount of the assets in progress is referring to the Units 3 and 4 and it is in amount of 514.246.182 RON (December 31st 2014: 514.836.941 RON). At March 31st 2015, the remained difference up to 838.740.955 RON (December 31st 2014: 856.762.905 RON) represents intangible assets in progress, related to the Units 1 and 2, like: the construction of areas for the storage and loading of the nuclear fuel used (DICA) in amount of 21.717.043 RON (December 31st 2014: 20.762.036 RON), Detritiation installation D2O in amount of 62.244.811 RON (December 31st 2014: 60.452.066 RON), modernization and extension of the physical protection system from Cernavoda in amount of 21.665.959 RON (December 31st 2014: 47.449.557 RON), improvement of the nuclear safety systems in amount of 15.888.801 RON (December 31st 2014: 15.888.801 RON) and advances granted to the intangible assets suppliers in amount of 17.325.431 RON (December 31st 2014: 19.660.501 RON).

The decommissioning of nuclear units

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 14) The company expenses and contributions to ANDR during the three months period ended at March 31st 2015 is in amount of 24.220.160 RON (period of three months ended at March 31st 2014: 24.220.160 RON).

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Pledged assets

At March 31st 2015, respectively December 31st 2014, the company has no pledged or mortgaged assets.

5. FINANCIAL INVESTMENTS

The financial investments are represented, mainly, by the investment in EnergoNuclear S.A. („EnergoNuclear”). At March 31st 2015 and December 31st 2014, the company owns 100% from the share capital of EnergoNuclear SA. The participation value at March 31st 2015 and December 31st 2014 is of 141.666.101 RON.

i) The continuation of the activity of EnergoNuclear

At December 31st 2014, there are some uncertainties regarding Energonuclear’s capacity to continue its activity. The future operations of Energonuclear regarding the units 3 and 4 are depending on the successful finalizing of the selection process of an investor according to the continuation strategy of the Units 3 and 4 Cernavoda NPP project, approved in July 2014 by the Romanian Government. The strategy stipulates the establishment of a joint venture in the sense of art. 50 of the Law no. 137/2002, between SNN and a private investor, selected, respectively a Project Company („Joint Venture” or „JV”). After the initial phase for the JV establishment, there will be considered the capitalization in the legal conditions of the investment made by SNN within Electronuclear, with the main objective for SNN to have a participation in the JV, besides the initial contributions, in order to assure the protection of the SNN investments in Energonuclear.

At the same time, the approved strategy for the continuation of the project has in mind the capitalization of the existing assets, having a considerable value, under the public patrimony – heavy water and uranium octoxide – and, respectively, in the company patrimony – land, buildings, equipments, etc. – and of Energonuclear, according to the law. The heavy water inventory and the first nuclear fuel charge will be assured from Romania by the Romanian state and SNN, according to the strategy.

Upon the investors’ selection procedure, on September 9th 2014, the company China General Nuclear Power Corporation („CGN”) was designated Selected Investor for the development of the Cernavoda NPP Units 3 and 4. On October 17th 2014, the Joint Letter of Intent to complete the Project was signed. Later on, the Romanian party transmitted to CGN a Memorandum of Understanding in draft („MoU”) – document that aims for the definition and establishment of the Investments Agreement negotiation principles. In December 2014, a vast consultation process with the Romanian authorities / institutions has been initiated in order to establish a common point of view regarding the aspects emphasized by CGN. Later on, during March 2015 the position of the Romanian party was presented to CGN, as it is defined in the strategy and negotiations took place regarding the MoU signing. Until the issuing date of these financial statements, the MoU has not been signed yet, the negotiations being in progress.

Considering the above mentioned aspects, as well as the negotiations phase with the Selected Investor, the company management is confident that the project developed by Energonuclear will continue in the future and there will be a future request for the electric power that is going to be produced by the Units 3 and 4. Thus, the company management considers that the investment in Electronuclear will be recovered, according to the Strategy.

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6. INVENTORIES

As at 31 March 2015 and 31 December 2014 the inventories of the Company are as follows:

	31 March 2015	31 December 2014
	(unaudited)	(audited)
Spare parts	211.479.664	209.795.452
Materials and supplies	54.374.022	56.023.769
Nuclear fuel	57.776.562	86.686.002
Uranium	50.483.491	36.379.148
Other inventories	9.818.352	8.781.126
TOTAL	383.932.091	397.665.497

7. TRADE AND OTHER RECEIVABLES

As at 31 March 2015 and 31 December 2014 the trade and other receivables are as follows:

	31 March 2015	31 December 2014
	(unaudited)	(audited)
Trade receivables	149.252.703	176.034.614
Trade receivables allowance	(14.133.027)	(14.132.449)
Other receivables	24.998.150	33.558.220
Other receivables allowance	(3.254.200)	(3.254.200)
Taxes	17.830.521	47.912.676
Total	174.694.147	240.118.861

As at 31 March 2015, the significant trade receivables are: Enel Energie S.A. – RON 12.111.190 (RON 26.110.384: 31 December 2014), Electrica Furnizare S.A – RON 21.846.919 (RON 35.612.769: 31 December 2014), Tinmar – Ind - RON 12.985.708 (RON 18.021.019: 31 December 2014) and Enel Energie Muntenia S.A. – RON 10.175.524 (RON 35.297.640: 31 December 2014).

8. CASH AND CASH EQUIVALENTS

As at 31 March 2015 and 31 December 2014, the cash and cash equivalents are as follows:

	31 March 2015	31 December 2014
	(unaudited)	(audited)
Cash at bank in RON	1.186.803.695	1.150.439.704
Cash at bank in foreign currency	877.078	1.858.921
Total cash and cash equivalents	1.187.680.773	1.152.298.625

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9. EQUITY

Share capital

The company was established through the separation from the ex RENEL. The share capital represents the State contribution to the company formation, at June 30th 1998 (restated with the inflation until December 31st 2003), plus future increases.

At March 31st 2015 and December 31st 2014, the share capital includes the effects of the restatements recorded in the previous years, according to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies". The reconciliation of the share capital is as follows:

	31 March 2015 (unaudited)	31 December 2014 (audited)
Statutory share capital (nominal value)	3.012.210.410	2.817.827.560
Restatement related differences in accordance with IAS 29	195.502.743	195.502.743
Restated share capital balance	3.207.713.153	3.013.330.303

Based on the resolution of the General Extraordinary Meeting of the Shareholders no. 8/6.10.2014, the increase of the company share capital was approved, by cash contribution, by issuing new shares, nominative, dematerialized, at a price of 10 RON/share, equal to the nominal value (without the share premium). The shares sale took place during the period 05.01.2015 – 04.02.2015, according to the Prospectus approved by the company's Board of Directors, through the resolution no. 174/02.12.2014 and by the Financial Supervisory Authority through the resolution no. 2246/23.12.2014.

On 06.02.2015, the Board of Directors of SNN acknowledged and approved the following: during the subscription period: 05.01.2015 - 04.02.2015, 19.438.285 shares, of 194.382.850 lei, have been subscribed, out of which 19.437.670 shares, of 194.376.700 lei, were subscribed by the main shareholder – Ministry of Energy, Small and Medium Sized Enterprises and Business Environment, and 615 shares, of 6.150 lei, were offered, as per the pre-emption right, to be subscribed by the other shareholders of SNN, i.e. persons who were shareholders at the registration date (22.10.2014), in order to maintain the participation quotas. The value of the share capital resulted upon this operation is of 3.012.210.410 RON, integrally subscribed and paid.

At December 31st 2014, the value of the statutory share capital integrally subscribed and paid is of 2.817.827.560 RON, consisting of 281.782.756 ordinary shares, each of them with a nominal value of 10 RON.

The shareholders have the right to receive dividends, as they are declared at certain intervals of time and the right of one vote per share within the company General Meetings of the Shareholders.

The shareholders structure at March 31st 2015 and at December 31st 2014 is presenting as follows:

Shareholders	31 March 2015		31 December 2014	
	Number of share	% of the share capital	Number of share	% of the share capital
Romanian State through the Ministry of Energy, Small and Medium Sized Enterprises and Business Environment	248.443.809	82,4789%	229.006.139	81,2705%
Fondul Proprietatea SA	27.408.381	9,0991%	27.408.381	9,7270%
Other investors	25.368.851	8,4220%	25.368.236	9,0025%
TOTAL	301.221.041	100%	281.782.756	100%

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Prepaid share reserves

Prepaid share reserves are in amount of 24.498.784 at March 31st 2015 (December 31st 2014: 217.820.977 RON) and represent public utility objectives from Cernavoda NPP (5.439.321 RON at March 31st 2015 and December 31st 2014), budgetary allowances related to the period 2007-2011 for the construction of the Training and recreational center for youth and children, from Cernavoda (16.114.216 RON at March 31st 2015 and December 31st 2014), as well as the value of a land in Bd. Gh. Magheru, received free of charge, from the Ministry of Economy, in amount of 2.945.247 RON (December 31st 2014: 1.890.740 RON). In March 2015, the value of that land has been increased with 1.054.507 RON upon the expertise report of the independent evaluator.

As at March 31st 2015, the capital subscribed by the Romanian state, in amount of 194.376.700 RON, representing budgetary allocations related to the period 2006-2009 for the execution of Unit 2 and for the completion of Units 3-5 from Cernavoda NPP, has been transferred in the share capital from the position Prepaid share reserves.

As at March 31st 2015, the number of new shares that can be issued for the Prepaid share reserves is of 294.525 (December 31st 2014: 19.626.744).

Reevaluation reserves

At December 31st 2014, the reevaluation reserves is in amount of 307.593.076 RON (December 31st 2014: 313.405.061 RON), net of deferred tax liability.

Retained earnings

Retained earnings represent the accumulated results of the Company. The retained earnings includes the profit which is 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.

10. LOANS

The repayment of loans within the three months period ended at March 31st 2015 are as follows:

	Currency	Interest rate	Value	Final due time year
Balance at January 1st 2015			1.751.972.263	
New issues				
Repayments, out of which:			(27.855.156)	
Societe Generale - ALSTOM BC	EUR	EURIBOR 6M + 0,450%	-	2017
Societe Generale - ANSALDO BC	EUR	EURIBOR 6M + 0,450%/0,7%	-	2022
Societe Generale - AECL BC	CAD	CDOR 6M + 0,375%	-	2022
Societe Generale - NEXANS BC	EUR	EURIBOR 6M + 0,450%	-	2017
Societe Generale - GENERAL ELECTRIC EURATOM	USD	LIBOR 6M + 0,070%	(5.444.656)	2017
	EUR	EURIBOR 6M + 0,08%	(22.410.500)	2024
Exchange rate differences			(8.870.192)	
Balance AS at March 31st 2015			1.715.246.915	

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As at March 31st 2015 and December 31st 2014, the long term loans from the credit institutions are as follows:

	31 March 2015 (unaudited)	31 December 2014 (audited)
Societe Generale - ALSTOM BC	11.752.835	11.945.526
Societe Generale - ANSALDO BC	254.289.987	258.459.148
Societe Generale - AECL BC	528.735.829	521.786.542
Societe Generale - NEXANS BC	14.763.706	15.005.761
Societe Generale - GENERAL ELECTRIC	30.359.259	32.667.936
EURATOM	875.345.299	912.107.350
Total long term loans from credit institutions	1.715.246.915	1.751.972.263
	(210.939.962)	(210.862.486)
Less: Current amount of the long term loan	(42.961.036)	(44.918.135)
Less: transaction costs for obtaining the loan (long term)		
Total long term borrowings net of current amounts	1.461.345.917	1.496.191.642

As at March 31st 2015, the financial indicators related to the loan granted to EURATOM have been fulfilled.

As at 31 March 2015 and 31 December 2014 the short term loans are as follows:

	31 March 2015 (unaudited)	31 December 2014 (audited)
Current portion of long term loans	210.939.962	210.862.486
Accrued interest related to long term loans	3.885.509	1.646.170
Short term transaction costs	(7.828.396)	(7.828.396)
Total short term loans	206.997.075	204.680.260

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

As at 31 March 2015 and 31 December 2014, trade and other liabilities are as follows:

	31 March 2015 (unaudited)	31 December 2014 (audited)
Property, land and equipment suppliers	19.164.787	50.493.364
Trade payables	121.076.676	137.853.316
Employee benefits	11.001.873	13.272.224
Payables to State	82.093.352	22.683.546
Dividends payables	304.226	457.076
Other payables	21.732.438	19.606.621
Total	255.373.352	244.366.147

At March 31st 2015, the main suppliers in the balance are: CN Transelectrica SA – 22.460.629 RON (31 December 2014: 34.776.622 RON), General Electric – 18.731.020 RON (31 December 2014: 16.285.814 RON and Compania Nationala a Uraniului S.A. – 6.158.343 RON (31 December 2014: 901.692 RON).

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12. INCOME TAX

The income tax recognized in the profit and loss account is as follows:

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited)
Current tax expense	19.202.777	26.317.564
Deferred tax release	(2.359.787)	(2.253.268)
Total	16.842.990	24.064.296

13. INCOMES FROM THE ELECTRICITY SALES*(i) Incomes from the electric power sales*

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited)
Sales of electricity on regulated market	92.873.738	146.829.091
Sales of electricity on free market	346.359.179	286.257.350
Sales of thermal energy	1.053.349	-
Revenues from green certificates sales	6.671	218.458
Total	440.292.937	433.304.900

(ii) Quantity of sold energy

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited)
Quantity of energy sold on regulated market (MWh)	585.427	1.006.882
Quantity of energy sold on free market (MWh)	2.208.010	1.817.838
Total	2.793.437	2.824.720

The company participates on the balancing market, and is as well, a responsible party with the balancing, according to the agreements concluded with the transport and system operator, Transelectrica SA. The quantity of sold energy presented does not include the quantity of energy related to the incomes from positive unbalances capitalized on the Balancing Market, in amount of 13.003 MWh for the 3 months period ended at March 31st 2015 (5.686 MWh in the three months period ended at March 31st 2014).

The company produces thermal energy by operating the energy capacities related to the electric and thermal energy production units, consisting of two heat exchangers with a total thermal power of 40 Gcal/h and 46,51 MW. The company delivers thermal energy to the local thermal energy distribution company, SC Utilitati Publice SA Cernavoda, as well as of some end consumers from Cernavoda municipality – economic agents, social-cultural institutions.

The thermal energy sales in the first quarter of the year 2015 are in amount of 1.053.349 RON (31 March 2014: 974.249 RON, amount that has been included in the position Energy sales on the free market).

According to the Electric power law no. 123/2012, the energy sector is regulated by the National Regulation Authority in the Energy Field (ANRE), autonomous public institution. ANRE establishes the tariffs that are going to be used by the company for the electric power sales on the regulated market, as well as the related quantities.

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14. OTHER OPERATING EXPENSES

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited, retreated)
Third party services	31.628.158	36.775.332
Expenses with ANDR	24.237.952	24.574.971
Energy and water	19.678.272	18.610.978
Fuel, lubricants and other consumables	8.861.454	9.820.741
Insurance	3.361.862	3.563.499
Transportation and telecommunication	1.284.787	1.828.459
Expenses with the fees on special constructions	61.567.609	89.398.570
Other operating expenses	14.195.479	12.961.375
Total	164.815.573	197.533.925

„Other operating expenses” contain, mainly, expenses with various taxes and expenses regarding the provisions.

Starting with 2007, upon the Government Resolution no. 1080/September 5th 2007 regarding the safe management of the radioactive wastes and the decommissioning of the nuclear installations, the company has the obligation to pay two types of contributions to ANDR:

- contribution for the decommissioning of each nuclear unit, in amount of 0,6 EUR/MWh, net electric power produced and delivered in the system;
- contribution for the permanent storage of the radioactive wastes of 1,4 EUR/MWh, net electric power produced and delivered 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.

Starting with 2014, companies must declare and pay the tax on special constructions. This amounts to 1,5% from the value of the constructions in balance at 31 December of the preceding year. Nuclear power plants are included in the category of special constructions. The fee for special constructions due by the company for the financial year ended as at 31 December 2015 is in amount of 61.567.609 RON (31 December 2014: 89.398.570 RON). According to IFRIC 21 (see Note 3), the company has integrally recognized this liability and the afferent expenses for the period ended as at 31 March 2015 and 31 March 2014.

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15. FINANCE INCOME AND FINANCE COSTS

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited)
Interest income	5.564.193	9.347.605
Foreign exchange gains	36.062.502	40.197.587
Total finance income	41.626.695	49.545.192
Foreign exchange losses	(28.326.832)	(6.809.133)
Interest expense	(5.244.985)	(5.916.766)
Finance costs	(33.571.817)	(12.725.899)
Net finance income	8.054.878	36.819.293

16. EARNINGS PER SHARE

As at 31 March 2015 and 31 March 2014, the earnings per share are as follows:

(i) Basic earnings per share

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited, restated)
Net profit for the period	35.435.336	31.899.562
Number of ordinary shares at the beginning of the period	281.782.756	281.782.756
Number of ordinary shares issued during the period (see Note 9)	19.438.285	-
Weighted average number of ordinary shares at the end of the period	288.262.184	281.782.756
Basic earnings per share (RON/share)	0,12	0,11

(i) Diluted earnings per share

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited, restated)
Net profit for the period	35.435.336	31.899.562
Number of ordinary shares at the beginning of the period	281.782.756	281.782.756
Number of ordinary shares issued during the period (see Note 9)	19.438.285	-
Weighted average number of ordinary shares at the end of the period (a)	288.262.184	281.782.756
Number of shares corresponding to the prepaid share reserve (b) (see Note 9)	294.525	19.437.670
Weighted-average number of ordinary (diluted) shares at 31 March (a) + (b)	288.556.709	301.220.426
Diluted earnings per share (RON/share)	0,12	0,11

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17. CONTINGENCIES AND COMMITMENTS

(i) Legal proceedings

During the three months period ended at March 31st 2015, the company is involved in a number of litigations arising in its normal course of business. The management of the Company regularly analyses the ongoing litigations and, after consulting with its legal advisors and attorneys, decides whether or not to create provisions or to disclose any litigation in the financial statements.

In management' opinion, currently, there are no litigations or disputes which may have significant impact on Company's financial result and financial position and which have not been already disclosed in these financial statements.

(ii) Commitments

As at 31 March 2015, the Company is committed to support the operating expenses and investments as per the contracts in progress for current investment and current operations, in the normal course of activity.

18. SUBSEQUENT EVENTS

As per the Resolution no. 2/29.04.2015 of the General Extraordinary Meeting of the Shareholders, the Board of Directors has been empowered for a year to increase the share capital by issuing new shares in exchange of the shareholders contributions, up to a value of the authorized capital of 3.016.200.000 lei, representing:

- The contribution in kind of the Romanian state, consequence of obtaining the property right certificate, issued by the Ministry of Economy for the land from Bd. Gh. Magheru, Bucharest and for the land in Saligny, Constanta county;
- The cash contribution of the other shareholders while exercising their pre-emption right/

Daniela Lulache
Chief Executive Officer

Mihai Darie
Chief Financial Officer

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