



HALF-YEAR REPORT

**OF THE BOARD OF DIRECTORS OF S.N. NUCLEARELECTRICA S.A. (“SNN”)
for the 6-month period related to the 1st semester of 2017**

Date of report : August 2017

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1. FOREWORD

The semester report of the Board of Directors for the first semester of 2017 is drawn up in accordance with the provisions of the Government Emergency Ordinance no. 109/2011 on Corporate Governance of Public Enterprises, as subsequently amended and supplemented ("Government Emergency Ordinance No. 109/2011") art. 55 and with the provisions of Law no. 24/2017 regarding issuers of financial instruments and market operations art. 65.

2. ANALYSIS OF THE FINANCIAL STATEMENTS

The individual and simplified interim financial information and financial statements on the date and for the six-month period ended June 30, 2017 presented in this report are reviewed by the financial auditor of SNN and prepared in accordance with OMFP no. 2844 / 19.12.2016 for the approval of the Accounting Regulations in compliance with the International Financial Reporting Standards, based on the International Accounting Standard 34 - "Interim Financial Reporting". Indicators presented in RON (RON), unless otherwise stated .

2.1. Statement of financial position as at 30.06.2017

The financial position at 30 June 2017 is presented in **Appendix 1**.

Thousand Lei	30 June 2017 (reviewed)	31 December 2016 (audited, (Restated)	Variation
Non-current assets	7.144.962	7.330.813	-2,5%
Current assets	2.103.411	2.014.607	4,4%
Total assets	9.248.373	9.345.420	-1,0%
Non-current liabilities	1.307.154	1.420.338	-8,0%
Current liabilities	434.159	450.313	-3,6%
Total liabilities	1.741.313	1.870.651	-6,9%
Shareholders' equity	7.507.059	7.474.769	0,4%
Total shareholders' equity and liabilities	9.248.373	9.345.420	-1,0%

Non-current assets registered a slight decrease compared to the level recorded at December 31, 2016, mainly due to lower net value of tangible assets by recognizing amortization for the period January to June 2017. The impact of the amortization period was partially offset by investments made primarily in projects under execution related to Units 1 and 2 of Cernavoda NPP.

Current assets registered an increase of 4.4% compared to December 31, 2016, mainly due to the 6.8% increase in cash availability (cash and cash equivalents and bank deposits with a maturity of more than three months), as well as to the reduction of trade receivables and other receivables with 17%, influenced mainly by the contractual provisions (advance payment versus payment after the delivery of the electricity).

Long-term liabilities decreased by 8.0% compared to the values registered at 31 December 2016. The decrease is due to the repayment of the outstanding bank loans related to the external credits contracted with Societe Generale and EURATOM for the realization and commissioning of the Cernavoda NPP Unit 2, the reclassification of the due installments from the non-current portion to the current portion of the liability, along with the maturity of the credits; this reduction was partially offset by the increase of the long term obligations regarding employees benefits. At 31 March 2017, the provision for the employee's retirement benefits was registered, representing the value of 1200 kW/year of electricity after retirement, evaluated at 8.500 lei on actuarial bases. The provision was updated at 30 June 2017, as per the actuarial report drafted by the actuarial expert employed by the Company, with the value of 8,8 mil. RON.

Compared to the December 31, 2016, **current liabilities** decreased by 3.6% . This is mainly influenced by the decrease in commercial and other debt by 8%, as well as the decrease in the current portion of long-term loans by 6%, following the completion of the reimbursement of one of the previously mentioned long term contracted credits. The reduction of these liabilities was partially offset by the increase in the deferred income, following the conclusion of energy sale contracts with advance payment of the delivered electricity for deliveries in the upcoming period.

2.2. Profit and loss account for the six month period ended as at 30 June 2017

During the 6 months ended June 30, 2017, SNN earned a net profit of 133,780 thousand lei.

Thousand Lei	6-month period ended June 30, 2017 (Reviewed)	6-month period ended June 30, 2016 (Reviewed, restated)	Variation
Production (GWh)*	5.066	4.804	5,5%
Operating revenues, of which:	892.973	742.247	20,3%
<i>Revenues from electricity sales**</i>	869.719	723.764	20,2%
Operating expenses	(499.701)	(487.510)	2,5%
EBITDA	393.271	254.737	54,4%
Depreciation and amortization	(245.976)	(238.405)	3,2%
EBIT	147.295	16.332	801,9%
Net Financial Income/(Expenses)	11.481	(13.485)	N/A
Expenses with the incometax	(24.996)	(1.111)	2.150,0%
Profit / (Loss) Net	133.780	1.736	7.608,1%

* Electricity produced and delivered by Cernavoda NPP in the National Power System.

** Including revenue from the sale of thermal power, insignificant in total revenue.

Operating profit (EBITDA) increased by 54.4% compared to the same period of the previous year as a result of operating income growth of 20.3%, mainly driven by the 20.2% increase in electricity sales.

The **evolution of the operating revenues** was influenced by the following factors:

- **The increase in the quantity of energy produces, respectively sold.** In the first semester of 2016, the planned outage of Cernavoda NPP Unit 1 had a duration of 51 days, influenced by the additional works necessary once in the life span of a CANDU 6 unit, while the planned outage of Unit 2 in the first semester of 2017 has an effective duration of 26,5 days, having a significant impact on the quantity of produced electricity which increased with 5,5%, respectively on the quantity of sold electricity, which increased with 6,5%, considering the sales mix in the second quarter
- **The modification of the quotas of sales on the regulated and on the competitive markets.** In the first semester of 2017, SNN sold on the regulated market a quantity of energy smaller by 52% compared to the first semester of 2016, as an effect of the continuation of the gradual liberalization process of the energy market, based in the delivery schedule established for 2017 by ANRE. At the same time, the quantity of energy sold on the competitive market increased by 19% compared to the similar period of last year, the sales on this market being concluded at an average weighted price higher than 6,2% compared to the sale price on the regulated market, in the first semester of 2017. Compared to the similar period of the previous year, the quantity of energy sold on the competitive market for bilateral contracts increased in 45% while registering an average sale price smaller by 1% (without Tg), while the quantity of energy sold on the DAM competitive market dropped by 21% compared to the similar period of last year, while the average sale prices on this market was higher by 50% (without Tg).

In terms of **operating expenses**, they increased by 2.5% in the first half of 2017 compared to the first half of 2016. The increase is mainly determined by the increase of the expenditures with the electric energy purchased as a result of the negative imbalances of the period, but also in connection with the purchase of electricity in the second quarter of 2017 for deliveries in the same period on the contracts in the portfolio of the Company during the planned outage. Expenditure with imbalances was higher in the first half of 2017 compared to the similar period of 2016 due to unplanned outages at Unit 1 CNE Cernavoda, amid unfavorable weather conditions in January 2017.

Depreciation and amortization expenses increased by 3.2% compared to the same period of the previous year, mainly due to the increase in depreciation expenses related to the commissioning of investments during the second half of 2016 .

The net foreign exchange differences have positively influenced the net result, so financial profit was recorded in the first half of 2017, while a financial loss was recorded in the same period of the previous year. The main currencies against which exposures are available are EUR, CAD and USD.

Profit and loss account for the six month period ended 30 June 2017 is presented in **Appendix 2** .

The similar period of last year was restated; also, the financial results for the first half of 2017 include the effect of the correction of certain accounting errors that have affected the results previously presented for the first quarter of 2017 as well. These are presented in detail within the interim simplified financial statements restated as at and for the period ended 30 June 2017.

2.3. Execution of revenue and expenses budget execution as at 30.06.2017

SNN's Income and Expense Budget ("BVC") for 2017 was approved by the General Meeting of Shareholders' Decisions no. 1 / 29.03.2017.

The company is monitored in terms of compliance with the performance indicators, objectives and criteria, the realized level of salary expenses compared to the budgeted amount, revenues and expenses levels, and also with the program for reducing arrears and outstanding receivables.

The BVC execution on June 30, 2017 is presented in **Appendix 3** to this report .

From the analysis of the Revenue and Expense Budget on June 30, 2017 (presented in **Appendix 3**), an achievement degree of operating revenues of 103.9% results and a decrease of the operating expenses of 13,1% compared to the budgeted level. The degree of achievement of total revenues is of 102,8%, above the achievement degree of total expenses of 86,1%.

3. OPERATIONAL ACTIVITIES

3.1. Electric power generation

In the first half of 2017, the two units of the Cernavoda NPP produced an amount of electricity of 5,519,639 MWh (gross) (out of which 2.516.008 MWh in the second quarter of 2017); out of this gross production, the technological consumption of the Units during operation as well as during the outages ensured out of the production was of 454 thousand MWh in the first half of 2017 (out of which 217 thousand MWh in the second quarter of 2017).

Thus, the electricity produced and delivered in the National Power System ("SEN") was of 5.065.688 MWh in the first semester of 2017, compared to the similar period of 2016 (4.803.816 MWh), representing an increase of 5,45% ; in the second quarter of 2017, the quantity of electricity produced and delivered to SEN was of 2.299.377 MWh, with an increase of 14,89% compared to the level registered in the first quarter of 2016 of 2.001.435 MWh.

The electricity production program approved by the SNN Board of Directors for 2017 envisaged for the first semester a quantity of electricity produced and delivered of 4.972.706 MWh, and it was achieved in a proportion of 101,87% ; out of this program, the quantity envisaged for the second quarter was of 254.597 MWh and was achieved in a proportion of 101,99%.

The installed capacity factor registered by each unit within the Cernavoda NPP in the second quarter of 2017 and cumulatively since commissioning into commercial operation (Unit 1 on 2 December 1996, Unit 2 on 1 November 2007) until 30 June 2017 it was as follows:

Unit	Cumulated				Cumulated I half 2017	Cumulated since in service
	I quarter 2017	April 2017	May 2017	June 2017		
Cernavoda						
Unit 1	98,24%	101,11%	86,54%	94,93%	96,16%	90,51%
Unit 2	100,03%	99,62%	17,14%	93,78%	84,73%	94,27%

The lower value of the installed capacity factor at Unit 2 of Cernavoda NPP reflects the planned 26.5 days (635.6 hours) outage, registered as of May 6, 2017 and completed on June 2nd, 2017.

Also during the first semester of 2017, at Cernavoda NPP Unit 1 three unplanned outages occurred with a total duration of 34.7 hours and two planned outages with a total duration of 88.7 hours (21,2 hours in the first quarter of 2017 and 102,2 hours in the second quarter of 2017).

3.2. Electricity sales

Within the energy trading activity, SNN has the obligation to present bank guarantee letters to certain contractual partners, as per the provisions stipulated on the energy sale-purchase contracts. Mainly, these refer to: the contract concluded with Transelectrica S.A. for energy transport (the Company does not present a bank guarantee letter although the legal obligations exists, as it is considered a reliable partner); the convention concluded with OPCOM S.A for the trading of electricity of PZU and PI; the contracts concluded on PCCB-NC platform; the contracts concluded on PCSU platform, plus the guarantees for entering the tenders; the convention for PE concluded with Transelectrica S.A and the contract concluded with PRE CIGA for representation on PE.

In order to perform this activity, during the first semester of 2017, a number of 24 bank guarantee letters was necessary. The cumulated value of the letters was of RON 43.181.996 for which collateral deposits were constituted in an equivalent amount. In the first half of 2017, collateral deposits in amount of RON 10.051.227 related to bank guarantee letters was liquidated. At 30 June 2017, the collateral deposits constituted for the bank guarantee letters in force were in amount of RON 33.130.769, with a maturity between 6 and 326 days since 30 June 2017.

The quantities of energy sold in the first half of 2017 and the corresponding revenues, broken down by types of sales contracts, are presented in the table below :

Electricity sales (quantities, prices and values) in the first semester of 2017

Sales by types	Quantities in MWh	% of total sales	Price [lei/MWh with Tg included]	Counter value [lei]
Regulated contracts	414.289	8,06%	161,03	66.713.219
Sales on the competitive market (bilateral contracts and sales on PZU and PI), out of which :	4.711.202	91,67%	171,02	805.722.127
- Sales on contracts CMBC - LE, CMBC – CN, PCSU and supply agreement	3.490.032	67,91%	161,80	564.694.068
- Sales on PZU and PI	1.221.170	23,76%	197,37	241.028.059
Positive balances on balancing market *)	13.651	0,27%	191,97	2.620.544
Total sales in the first semester of 2017	5.139.142	100%	170,27	875.055.890

*) Note: 32.308 lei of the presented value represents redistributed revenues resulting from the balancing of the system, based on the application of the ANRE Order No: 51/2016 .

The amount of electricity sold on the spot market (PZU - Next Day Market and PI - Intraday Market) and on the Balancing Market (PE) is 5.139.142 MWh, with 1.5% over the sales program of 5.063.397 MWh (measured at the production forecast, no estimated unplanned stops) and 6.5% higher than the amount of electricity sold in the first half of 2016. The difference of the electricity sold and the electricity delivered by Cernavoda NPP is represented by the electricity purchased for the full coverage of the contractual obligations, the amount of electricity that was purchased on the Balancing Market mostly 67% of the total purchases and next day market.

The revenues generated on the electricity supply market in the first semester of 2017 are of 875.055.890 lei (of which 32.308 lei represent redistributed revenues resulting from the balancing of the system, based on the application of the ANRE Order no: 51/2016), higher by 6.67% compared to the value envisaged in drawing up the income and expenses for 2017 (the portion corresponding to the first semester), and 17.93% higher compared to the achievements in the same period last year.

The weighted average sales price for energy sales (without PE) resulting in the first half of 2017 is 170,21 lei / MWh (including Tg). In the first half of 2016, the weighted average sales price for the sold energy (without PE) was 154,09 lei / MWh (including Tg) .

In January, February, April and June 2017, the average monthly sales prices achieved by SNN on PZU were on average higher than the sales prices of the bilateral contracts concluded on OPCOM by SNN. The average PZU rate published by OPCOM for January, February, April and June 2017 increased by 83%, 105%, 33,2% and 43,6% respectively compared to same months of 2016, and SNN prices on PZUs followed the trend of market growth .

SNN's energy sales were, as in the previous period, based on regulated contracts, contracts concluded on the competitive market - assigned to PCCB (PCCB-LE, PCCB-NC and PCSU) plus a negotiated supply contract concluded with C.N.T.E.E Transelectrica S.A., as well as spot market transactions (PZU and PI) .

The quantities of energy sold on the basis of the contracts concluded on the regulated market were in compliance with the ANRE Decision no. 1960 / 14.12.2016. The regulated quantities established by ANRE for 2017 were of 5,85% of the scheduled production and the quarterly break down of this quantity represents 8,33% of the scheduled production for the first half of 2017 and respectively 3,58% of the scheduled production for the second half of 2017. The regulated quantity established by ANRE for 2016 was of 14,42% of the scheduled production.

As per ANRE Decision no. 1960 / 14.12.2016, the regulated price established for SNN is of 159,57 lei / MWh (without Tg) for the year 2017. This represents a decrease of 1,93% of the regulated price established in 2016 on the regulated market by the ANRE Decision no. 2562 / 16.12.2015, whose value was 162,71 lei / MWh (without Tg) .

By Decision no. 861 / 13.06.2017, ANRE amended the Decision no. 1960 / 14.12.2016 regarding the approval of the quantities of electricity sold on the basis of regulated contracts and the regulated prices for electricity delivered in 2017 by S.N. Nuclearelectrica S.A, by reducing the average regulated price with 1,65% from 159,57 lei/MWh to 156,93 lei/MWh, applicabile starting July 1st, 2017. The adjustment of the regulated average electricity price for the second semester of 2017 envisages the reduction of the average cost of the nuclear fuel during 2017, compared to the average cost of nuclear fuel considered when establishing the average regulated price for 2017.

In the first half of the year 2017, when the energy is sold on the regulated market, the regulated tariff for the introduction of electricity in the transport network (Tg) is added at the regulated price of 1,34 lei / MWh (decreased from 4,04 lei / MWh starting with July 2016 through ANRE Order No. 27 / 22.06.2016) .

From the actual production made at Cernavoda NPP in the first half of 2017, the regulated contracts delivered a quantity of 414.289 MWh, (8.18%) while in the first semester of 2016, the quantity delivered on regulated contracts was of 866.471 MWh (18.04% of the net energy production).

The quantities of energy sold on the competitive market of bilateral contracts represented in the first half of 2017 a percentage share of 67.91% of the total volume of sold energy. The average selling price on bilateral contracts in the first half of 2017 was 161,80 lei / MWh (with Tg included), recording a 3% decrease compared to the average price recorded in the first half of 2016, 166,87 Lei / MWh (with included Tg), while the Tg in the first semester of 2016 was higher by 2,70 lei/MWh.

On the spot market, in the first half of 2017, a quantity of energy was sold representing 23.76% of the total sales volume, compared to a 31.95% percentage share registered in the first half of 2016. The average selling price achieved by SNN on the energy market during this period was of 197,37 lei / MWh (with included Tg) compared to 127,03 lei / MWh (with Tg included) registered in the same period of 2016.

In the first half of 2017, SNN carried out 164 energy sales contracts as follows :

- 6 regulated contracts (with addendums concluded for year 2017) ;
- 100 contracts concluded on PCCB - LE;
- 51 contracts concluded on PCCB – NC ;
- 6 contracts concluded on PCSU ;
- 1 supply contract (with addendum signed for year 2017) .

In the first half of 2017, a single contract was terminated on PCCB - LE as a result of the non - payment of the invoices for the supplied energy on time. The receivables were recovered in a significant proportion by the execution of the letter of guarantee of the proper payment issued, according to the contract, in favor of SNN (in full for the delivered energy).

There were no significant delays in the deadlines set in the contracts during the first half of 2017.

The quantities of energy sold in the second quarter of 2017 and the corresponding revenues, broken down by types of sales contracts, are presented in the table below :

Sales of electricity (quantities, prices and values) in the second quarter of 2017

Sales by types	Quantities in MWh	% of total sales	Price [lei/MWh with Tg included]	Sales revenues [lei]
Regulated contracts	100.851	4,29%	160,72	16.208.470
Sales on the competitive market (bilateral contracts and sales on PZU and PI), out of which :	2.245.947	95,58%	165,62	371.966.348
- Sales on contracts CMBC - LE, CMBC – CN, PCSU and supply agreement	1.432.329	60,95%	158,16	226.534.611
- Sales on PZU and PI	813.618	34,62%	178,75	145.431.737
Positive balances on balancing market *)	3.124	0,13%	123,77	386.660
Total sales in the second quarter of 2017	2.349.922	100%	165,35	388.561.478

**) Note : 30.129 lei of the presented value represents redistributed revenues resulting from the balancing of the system, based on the application of the ANRE Order No: 51/2016.*

The amount of electricity sold on the spot market (PZU - Next Day Market and PI - Intra-Daily Market) and on the Balancing Market (PE) is of 2.349.922 MWh, with 2,37% above the sales program of 2.295.559 MWh (measured at the production forecast, with no estimated unplanned stops) and 16,6% higher than the amount of electricity sold in the second quarter of 2016. The difference between the sold electricity and the energy, the electricity delivered by Cernavoda NPP is represented by the electricity purchased for the full coverage of the contractual obligations, the amount of electricity that was purchased on the Balancing Market (mostly 60% of the total purchases) and the Next Day Market .

Revenues generated on the electricity supply market in the second quarter of 2017 are of 388.561.478 lei (of which 30.129 lei represents redistributed revenues resulting from balancing of the system, based on ANRE Order No. 51/2016); Higher by 11.12% compared to the budgeted revenues for the second quarter of the year 2017, and 36,23% higher compared to the same period last year .

The weighted average sales price for the sold energy (without PE), resulting in the second quarter of 2017, is 165,41 lei / MWh (including Tg) . In the second quarter of 2016, the weighted average sales price for sold energy (without the PE) was 141,78 lei / MWh (including Tg) .

The regulated quantities established by ANRE for SNN in the second quarter of 2017 were of 4,47% of the scheduled production of Cernavoda NPP for this period, compared to 14,45% in the second quarter of 2016.

From the actual production made at Cernavoda NPP in the second quarter of 2017, the regulated contracts delivered a quantity of 100.851 MWh (4,39% of the net energy produced), while in the second quarter of 2016, the quantity delivered on regulated contracts was of 276.296 MWh (13,8% of the net energy produced).

The quantities of energy sold on the competitive market of bilateral contracts represented in the second quarter of 2017 a percentage share of 60,95% of the total volume of sold energy. The average selling price on bilateral contracts in the second quarter of 2017 was 158,16 lei / MWh (with Tg included), recording a decrease of 3,1% compared to the average price recorded in the second quarter of 2016, by 163,17 lei / MWh (with included Tg), while the Tg in the second quarter of 2016 was higher with 2,70 lei/MWh.

On the spot market, in the second quarter of 2017, an amount of energy was sold, representing 34,62% of the total sales volume, compared to a 59,61% percentage share registered in the second quarter of 2016. The average selling price achieved by SNN on the energy market in this period was 178,75 lei / MWh (with Tg included), compared to 126,56 lei / MWh (with included Tg) registered in the same period of 2016.

In the second quarter of 2017, SNN carried out 99 energy sales contracts as follows :

- 6 regulated contracts (with additional documents concluded for year 2017);
- 72 contracts concluded on PCCB - LE;
- 18 contracts concluded on PCCB - NC;
- 2 contracts concluded on PCSU;
- 1 supply contract (with addendum signed for year 2017).

3.3. Expenses on electricity market

In the first semester of 2017, the total value of the energy market expenses is of 27.914.382 lei, out of which 6.787.777 lei represents Tg, respectively the regulated tariff paid to Transelectrica S.A for the injection of the energy produced by Cernavoda NPP in the national energy transport system. The equivalent of the green certificates required to be purchased for the supplied energy is in amount of 13.203 lei and the fees charged by OPCOM for the sale and purchase transactions are in amount of 260.007 lei.

In the first half of 2017, expenditures for the purchase of energy on the Spot Market amounted to 5.487.746 lei (first semester of 2016: 25.867 lei) in order to ensure the full fulfillment of the contractual energy delivery obligations during the planned shutdown of Cernavoda NPP Unit 2 and partially for the unplanned outages of Unit 1 of Cernavoda NPP, the amount of electricity purchased being of 24.360 MWh (1st semester of 2016: 163 MWh) at an average price of 225,28 lei / MWh (first half of 2016: 158,3 lei / MWh) .

In the first half of 2017, the expenses on the Balancing Market amounted to 15.218.510 lei (the first semester of 2016: 5.197.346 lei). This amount represents the value of the energy received from the Balancing Market to compensate for the negative imbalances that occurred due to the differences between the quantities of energy actually delivered and the quantities notified on the market according to the daily forecast for each hourly interval, the value of the imbalance from the notification and the additional cost from the balancing of the system, allocated to SNN based on the application of the new methodology for redistribution of additional costs / revenues from balancing the system, starting with January 1, 2017, established by ANRE Order no. 51 / 21.9.2016. Expenditure with imbalances was higher in the first half of 2017 compared to the similar period of 2016 due to unplanned outages at Cernavoda NPP Unit 1 .

In the second quarter of 2017, the total expenses of SNN on the energy market was of 15.574.698 lei, out of which 3.081.050 lei representing Tg, respectively the regulated tariff paid to Transelectrica S.A for the injection of the energy produced by Cernavoda NPP in the national energy transport system. The equivalent of the green certificates required to be purchased for the supplied energy is in amount of 13.203 lei and the fees charged by OPCOM for the sale and purchase transactions are in amount of 307.753 lei.

In the second quarter of 2017, expenditures for the purchase of energy on the Spot Market amounted to 4.302.951 lei (2nd quarter of 2016: 680 lei) , the amount of electricity purchased being 20.158 MWh (2nd quarter of 2016: 7 MWh) at an average price of 213,46 lei / MWh (2nd quarter of 2016: 100 lei / MWh) .

In the second quarter of 2017, expenditures on the Balancing Market were in the amount of 7,929,014 lei (2nd quarter of 2016: 2.808.634 lei), exceeding the amounts from the similar period of last year due to the three outages of Cernavoda NPP Unit 1 (two unplanned outages and a planned one).

3.4. The Investment Program as at 30 June 2017

The total value of SNN's investment program for 2017 is of RON 231.593 thousand (excluding the debt service payment component related to the long term borrowings), approved by the Decision no. 1 / 29.03.2017 of the Ordinary General Meeting of Shareholders of SNN.

The structure of SNN's investment program for 2017, as well as its achievement on June 30, 2017, compared to the similar period of 2016, is presented in the table below :

Year	Value of investment program [thousand lei]	Achieved in H1 (01.01 - 30.06) [thousand lei]	Achievement degree in H1 (01.01 - 30.06) (%)
2017	231.593	48.583	21,0%
2016	255.394	77.524	30,4%

As in previous years, the longest-term investment (under execution) is the largest share in the investment program. This is due to the need to modernize / refurbish systems, due to economic considerations - specific consumption reductions, improvement of some parameters characteristic of the processes served with positive impact on efficiency, due to the legal nature - the need to implement improvements related to nuclear safety , Protection of the environment and labor safety, representing imperative requirements from the regulatory authorities in the field (e.g. C.N.C.A.N. and the Ministry of Environment).

Analysis of the achievement of the investment program on 30 June 2017

The investment program for 2017 addendum to the Revenues and Expenditures Budget was drafted from a value point of view, considering the ongoing contractual obligations, the estimations regarding investment objectives which will be carried out in the following year, including the amounts allocated to investment projects which imply the fulfilment of certain requirements outside of SNN's control (for example: preliminary approvals issued by regulatory authorities, legal deadlines related to the unfolding of procurement procedures including litigations, obtaining the necessary approvals from SNN corporate bodies etc.), in order to allow the implementation of these projects within the approved budgets.

In analysing the value of the investment program, we must take into consideration the fact that it may differ from the degree of physical completion: thus, if the investment project was completed successfully, the degree of physical completion is of 100% but the degree of value completion may be sub unitary, respectively lower than 100%, if the project was implemented at a cost lower than the budgeted amounts; these savings represent benefits for the company, because the same benefits of the project are obtained with less resources.

Out of the main investment projects we mention the following:

- „**Intermediate Spent Fuel Deposit (including SICA Unit 2)**”: initially provided with the amount of 23.743 thousand lei – value completion at 30 June 2017 is of 50,17%; in April 2017 the reception and commissioning of DICA module 8, MACSTOR 200 type were performed; in the first semester of 2017, preparatory works took place for the subsequent modules, as well as investment in the design services for the extension of the DICA site and the replacement of the MACSTOR 200 type modules with MACSTOR 400 type modules;
- "**Improving the Cernavoda NPP response and Nuclear Safety functions in the event of beyond design basis events following the nuclear accident at the Fukushima 1 nuclear plant in Japan**" – budgeted at 41.079 thousand lei – within the objective to amend the destination of the existing constructions on Unit 5 site, activities are carried out to approve the technical project, thus on 30 June 2017, the value completion levels are low;

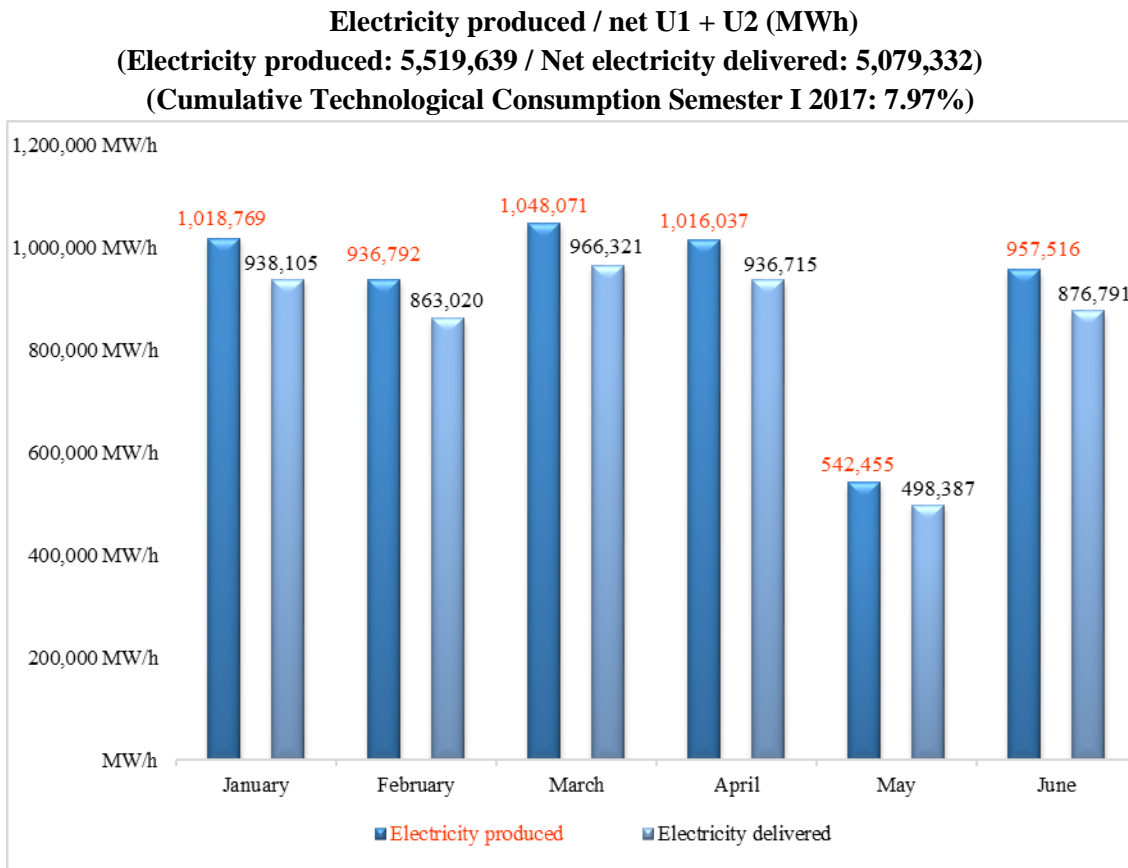
- **„Modernization and extension of the Physical Protection System“**: budgeted at 16.150 thousand lei – in March 2017 the industrial security certificate (ORNISS) was obtained necessary to start analysis and approval activities of the technical project, currently under development;
- **"Replacement of Excitation System control part 2-41220-PL 1615 from Unit 2 due to multiple reliability problems"**: 11,738 thousand lei – investment provided in the second semester of 2017. Regarding this investment, it will be completed during the planned outage of Unit 2 in 2019;
- **"Extension of Unit 1 life span by refurbishing the reactor and upgrading the main systems (studies)"**: 4,000 thousand lei – investment provided to be completed in the second half of 2017;
- **Enhancement of safety in the operation of the Cernavoda NPP power evacuation system, by refurbishing the power exhaust transformers and providing a reserve transformer for two units**: 8,284 thousand lei – investment will be postponed for 2018;
- **"Capital repair of sinter furnace HARPER II"**: 501 thousand lei – project completed on 30 June 2017, with a saving of 19,23% thus, the value completion degree of of 81,67% while the physical completion degree is of 100%.
- **"Capital repair of the press Feintool GKP-F 25/40"**: 951 thousand lei – in May 2017, the procurement contract was signed, at a value below the budgeted value, thus in the second semester of 2017, the project will be 100% completed, with a saving which will impact the result in the second half of 2017;
- **"Capital repair of the rotary press R53"**: 935 thousand lei – the procurement documentation was completed. It is estimated that the contract will be signed and that the project will be completed in fourth quarter of 2017;
- **“SNN’s contribution within the IPP type company for the completion of Units 3 and 4”** estimated at 8.920 thousand lei (equivalent of 2.000 thousand euro), as per EGMS resolution no. 7/22.08.2014 regarding the approval of the Strategy for the continuation of the Cernavoda NPP Units 3 and 4 Project. The essential precondition is the approval by the EGMS of the Investment Documents with the Selected Investor – process unfolded by the Negotiation Commission and coordinated by the Interministerial Commission for U3-U4 Project, thus, at present, the investment is not completed;
- **“The capitalization of ELINI (European Liability Insurance for Nuclear Industry)”** estimated at 5.352 thousand lei (equivalent of 1.200 thousand euro), representing the contribution of the company, as new member of the Association of Mutual European Liability Insurance for Nuclear Industry (“ELINI”) with the purpose of drawing benefits from the membership to the association; the approval of the adherence to ELINI is in the competence of SNN EGMS and is estimated to be completed effectively in the fourth quarter of 2017;
- **“The consolidation of Magheru headquarters”** estimated at 2.100 thousand lei. During 2016, the land registry for the two undivided units was opened (floors 5 and 6) and the land belonging to SNN with the surface of 239,05 square meters was registered; the actual investment was not initiated until the end of the first semester of 2017, because the majority owner (Transelectrica S.A.) did not initiate the consolidation operations.

3.5. The activity of Cernavoda NPP Branch

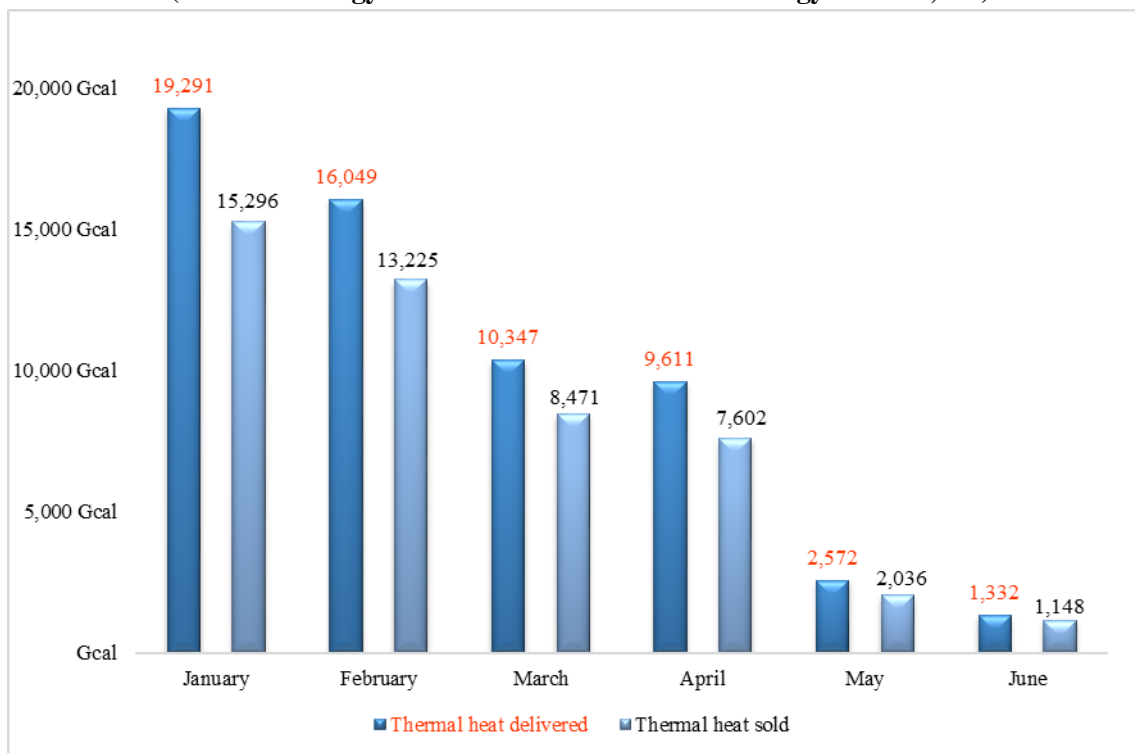
Operations have taken place without events that have an impact on nuclear safety, personnel, population or the environment. The relationship with the regulatory authorities was carried out in compliance with the requirements and the conditions of the operating authorizations.

In the first half of 2017, there were no operating events exceeding the level 1 international nuclear events, degrading deep defences, site impacts or outward impacts (INDICATOR 1).

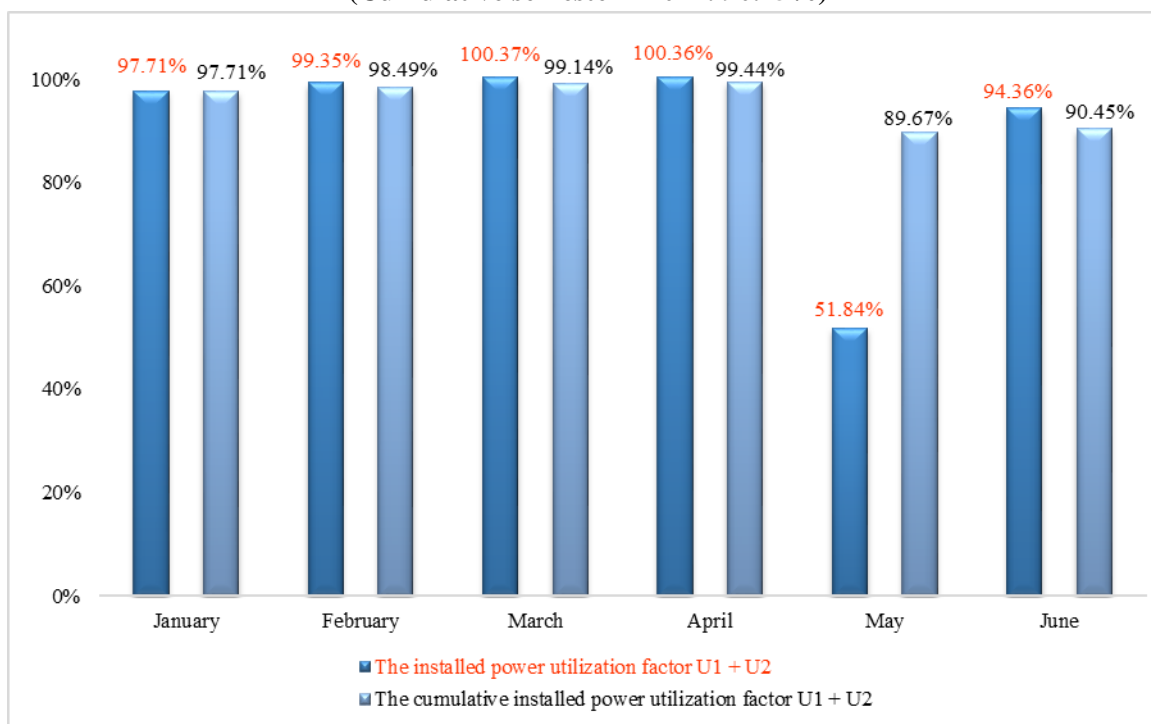
The main indicators of production activity are highlighted in the following graphs.



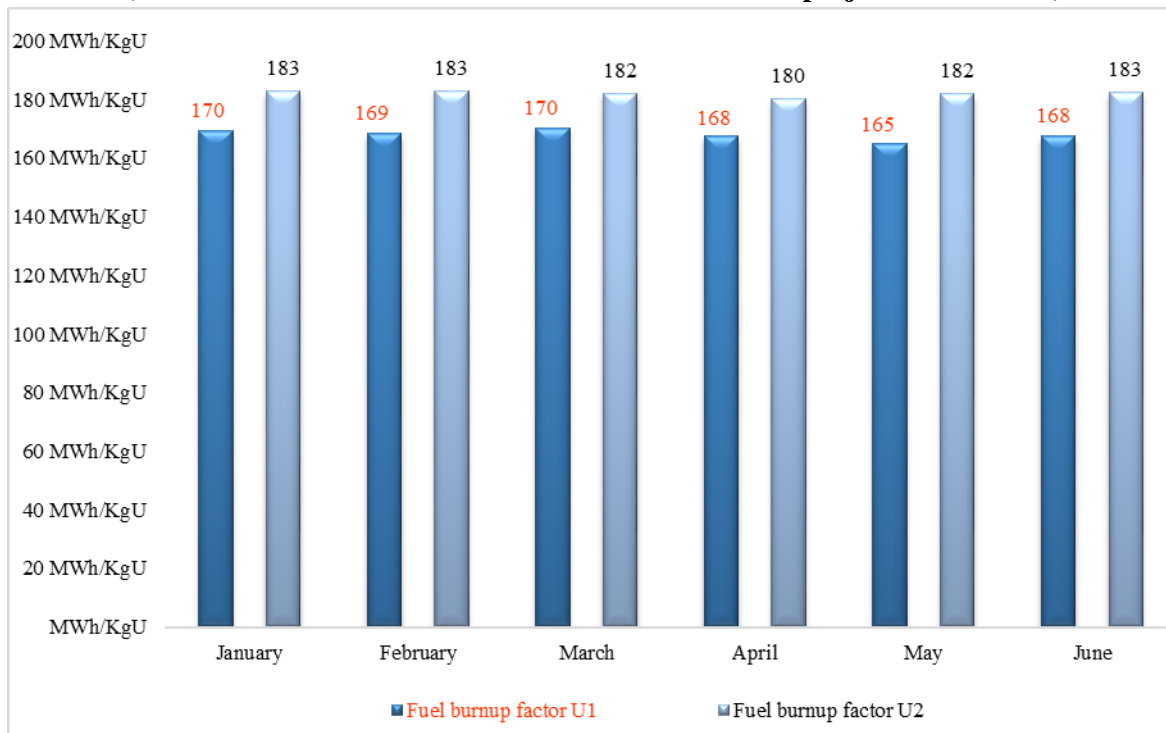
Thermal heat delivered / sold (Gcal)
 (Thermal energy delivered: 59,201 / Thermal energy sold: 47,777)



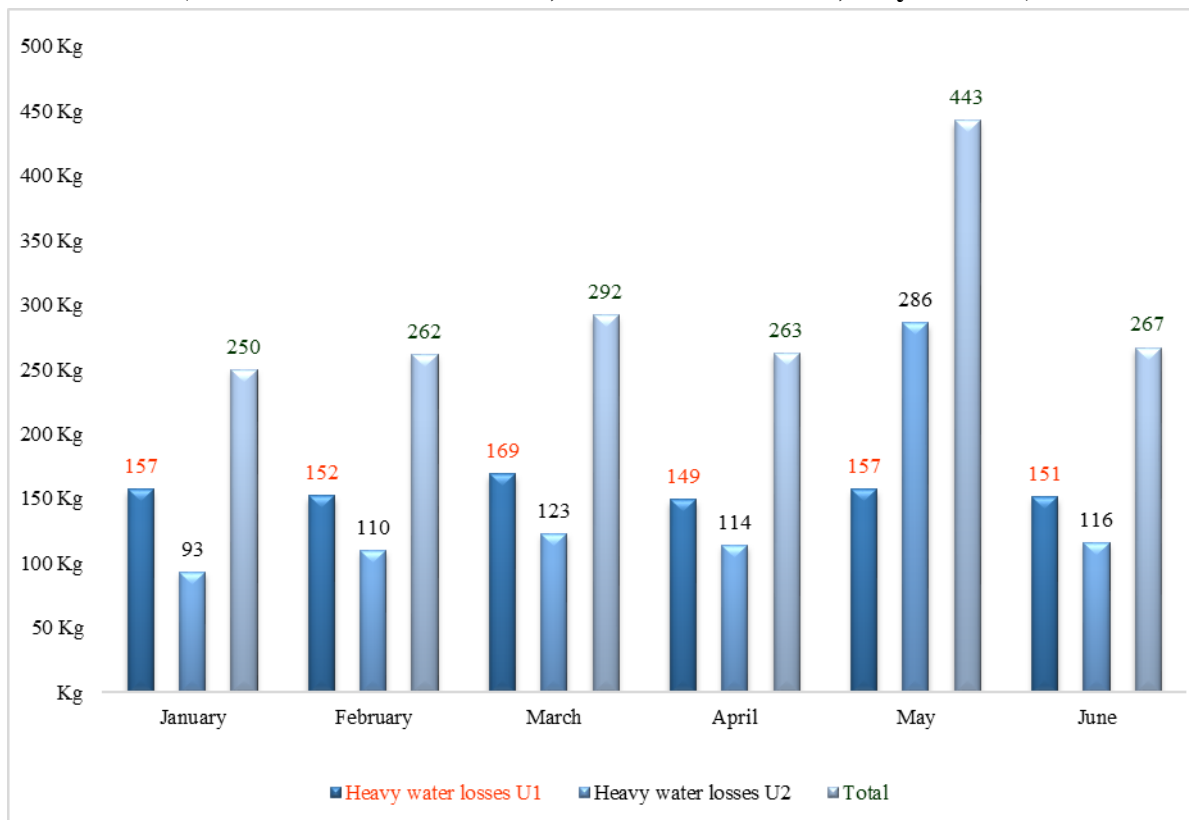
The installed power utilization factor U1 + U2 (%)
 (Cumulative semester I 2017: 90.45%)



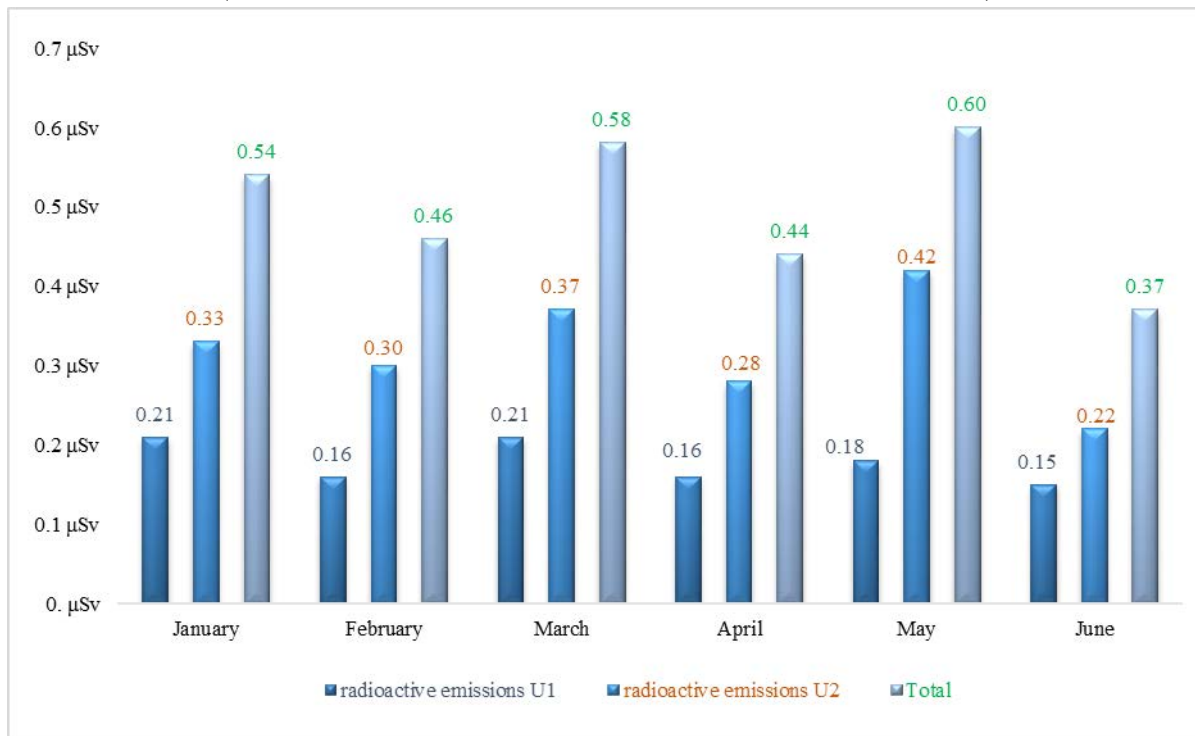
Fuel burnup factor (MWh / KgU)
(Cumulative semester I 2017: 175.16 / Provided in the project: min. 156.00)



Heavy water losses U1 + U2 (Kg)
(Cumulative semester 2017: 1,777 / Provided: max. 6,800 year / unit)



The average volume of radioactive emissions U1 + U2 (μSv)
(Total Cumulative Semester I 2017: 2.99 / Annual Limit: 8.50)



3.6. The activity of FCN Pitesti Branch

In the first half of 2017, FCN Pitesti Branch manufactured, controlled and accepted a number of 6.060 nuclear fuel bundles according to the manufacturing plan, all of which complying with specifications, the production of nuclear fuel bundles increasing by 23% compared to the same the period of 2016 when a number of 4.947 beams were manufactured, controlled and accepted .

In the first half of 2017, the FCN Pitesti Branch delivered to Cernavoda NPP the quantity of 5.040 nuclear fuel bundles, respecting the agreed delivery schedule (semester I 2016 : 5.040 bundles delivered) .

In the first half of 2017, sintered powder of uranium dioxide was consumed at an average price of 400,53 lei / kg, purchased from the supplier Cameco Inc. from procurements performed in 2016 and during 2017; the most recent contract for the procurement of sintered uranium dioxide powder was concluded with Cameco Inc. in June 2017 for a quantity of 120 tons at a USD price equivalent in lei of 337.35 lei/kg U in UO₂.

4. OTHER SIGNIFICANT ASPECTS

4.1. Cernavodă NPP Units 3 and 4 Project

The main milestones of the continuation of the Units 3 and 4 Cernavoda Units are the following :

- On January 31, 2017, the Negotiating Commission endorsed the proposal to continue negotiations on Investment Documents in the same terms of the MoU.

- On February 23, 2017, a meeting was held between the representatives of the Ministry of Energy and the CGN regarding the need to assume a calendar of actions and to speed up the negotiations for the establishment of the new Project Society ("JVCo"). At the request of the CGN, in the absence of a new negotiation mandate, non-negotiable technical discussions took place between 28-30 March 2017 and 10-13 April 2017 respectively between representatives of SNN and CGN.
- During March - July 2017, clarifications and analyses were conducted to identify options and define parameters that may circumscribe the possible commitments of the State of the State in relation to CGN requirements.
- The Inter-ministerial Commission for Units 3 and 4 of the Cernavoda NPP Project decided to approve the continuation of negotiations on Investment Documents for a period of up to 6 months from the date of institutional and corporate approval, applying all other MoU provisions, including the possibility of any Party to terminate the MoU without any indemnity by simple written notification to the other Party, if no agreement has been reached on the Investment Documents and to the extent that the delay was not caused by that Party, and the proposal will be Subject to the approval of the Government of Romania and, subsequently, the Extraordinary General Meeting of SNN Shareholders.
- By Government Memorandum on July 13, 2017, it was approved the continuation of negotiations on Investment Documents on the development, construction, operation and decommissioning of Units 3 and 4 from Cernavoda NPP with the Chinese company CGN.
- By the Decision of the Board of Administration of SNN no. 114 / 20.07.2017 approved and submitted for approval to the Extraordinary General Meeting of Shareholders of SNN the continuation of the negotiations on the Investment Documents under the same conditions of the MoU, for a period of up to 6 months from the date of the institutional and corporate approval, applying all the other provisions of the MoU, including the ability of either party to terminate the MoU without any indemnity by simple written notice to the other Party, if no agreement has been reached on the Investment Documents and to the extent that the delay was not caused by that Party .

The Extraordinary General Meeting of SNN's Shareholders was convened on 24 August 2017.

4.2. Litigations with the shareholder Fondul Proprietatea S.A

Fondul Proprietatea S.A. filed the action with the Bucharest Tribunal in order to find the determine the absolute nullity of the EGMS Decision no. 8 / 06.10.2014 approving the increase of the social capital of SNN with cash contribution in the total amount of maximum 239.172.630 lei by issuing 23.917.263 shares representing in kind contribution of the Romanian State as a result of obtaining the certificate of attestation Of the ownership of the land the indivisible share of 239,05 square meters in Bd. Gheorghe Magheru no. 33 Bucharest and cash contribution representing the value of the budgetary allocations for the period 2006 - 2009 for the realization of Unit 2 of Cernavoda .

The action is the subject of file no. 40046/3/2014, at which the court set a new court term for September 12, 2017 .

4.3. Litigation initiated by Greenpeace CEE Foundation Romania and Bankwatch Romania Association against the Ministry of Environment, Waters and Forests, Government of Romania and S.N. Nuclearelectrica S.A..

The Greenpeace CEE Foundation and the Bankwatch Romania Association formulated, in file no. 3793/2/2013, an appeal against the Ministry of Environment, Waters and Forests, the Government of Romania and SNN having as object the cancellation of the decision on the issuance of the Environmental Agreement and the Government Decision no. 737/2013 regarding the issuance of the Environmental Agreement for the project "Continuation of construction and completion works for Units 3 and 4 Cernavoda NPP".

The Bucharest Court of Appeal dismissed the applicants' request, on the merits of the case. The Greenpeace CEE Romania Foundation and the Bankwatch Romania Association filed an appeal requesting the cessation of the substantive decision and sending the case for re-trial, with the administration of the evidence with expertise .

By Decision no. 2100/23 June 2016, the High Court of Cassation and Justice upheld the appeal, ordered the cassation of the appealed sentence and refer the case back to the same court for the administration of the evidence with the expertise and the determination of the effectiveness of the public consultation on the Environmental Agreement.

Bucharest Court of Appeal accepted the reformulation of the objectives of the expertise proposed by SNN, appointed two judiciary experts and two specialists to carry out the expertise and set their fees, taking into account the applicants to pay them .

The claims made by the applicants for the exemption from the payment of fees were response. By Decision no. 2208 / 09.06.2017 Court of Appeal dismissed Greenpeace CEE Romania's appeal as unreasonable.

4.4. Changes in the Company's management

By Decision no. 50 / 11.04.2017, the Board of SNN approved unanimously, with the abstention from voting board members who simultaneously fulfils the function of CEO and renewal of the mandate of the Director General Mrs. Daniela Lulache for a the period of 4 months starting May 1, 2017, respectively a provisional mandate, given that the previous term of office of the General Manager expired on April 30, 2017. The decision of the Board of Directors was adopted according to the applicable law and represents a measure to ensure the transfer of the current executive management to new leadership (selected in accordance with Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, as amended and supplemented), the complexity of processes and nuclear activities. The Board of Directors' decision was based on the assessment report of the Director General, the degree of fulfilment of the Performance Indicators assumed under the Mandate Contract and the Operational and Financial Performance Outcomes and was accepted by the General Manager on April 13, 2017.

By Decision no. 2 / 24.04.2017 of the Ordinary General Meeting of Shareholders of SNN the appointment of provisional members of SNN Board of Directors, for a period of 4 months starting April 26, 2017, was approved

On 30 June 2017 the members of the SNN Board of Directors are as follows:

Nr. CRTs.	Name and surname	Date of appointment	Warrant expiry date
1.	Iulian – Robert Tudorache	AGA Decision No. 2/24.04.2017	26.08.2017
2.	Cristian Gentea	AGA Decision No. 2/24.04.2017	26.08.2017
3.	Cristian – Romulus Anton	AGA Decision No . 2/24.04.2017	26.08.2017
4.	Sebastian Tcaciuc	AGA Decision No. 28/23.12.2013	23.12.2017
5.	Eva – Georgeta Andreas	AGA Decision No. 2/24.04.2017	26.08.2017
6.	Florin – Constantin Tatar	AGA Decision No. 2/24.04.2017	11.07.2017 ^{*)}

^{*)} According to the AGA Decision no. 3 / 11.07.2017 was revoked as a member of the Board of Directors of SNN.

At the date of 29 June 2017, Mr. Ionut Misa 'mandate as provisional member of Board of Directors, appointed by Resolution no.2/24.04.2017 has ceased by resignation.

By Decision no. 64 / 03.05.2017, SNN's Board of Directors appointed Mr. Tudorache Iulian Robert as President of SNN's Board of Directors for a period of 4 months, the period of the provisional mandate held within the Board of Directors of SNN .

4.5. Approval of the proposal of the Board of Directors on the non-distribution of additional dividends

By the decision of no. 3 / 11.07.2017, the OGMS approved the proposal of the SNN Board of Directors regarding the non-distribution of additional dividends from other reserves and the result carried forward, in compliance with the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017 for the amendment of Art. (1) lit. G) of the Government Ordinance no. 64/2001 on the distribution of profits of national enterprises, national companies and commercial companies with full or majority state capital, as well as to the autonomous authorities and for the modification of art. 1 paragraph (2) and (3) of Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, in accordance with the note presented to the shareholders on this item on the agenda (paragraph 13 of the OGMS agenda of 11 July 2017) .

4.6. The Refurbishment Project of Unit 1 CNE Cernavoda

Regarding the " Approval of the Strategy and Action Plan for the update of the Refurbishment Project of Cernavoda NPP Unit 1", at the Extraordinary General Meeting of Shareholders of SNN dated July 11 , 2017, the Ministry of Energy asked the management of SNN for additional information regarding the completion of the strategy / action plan, the subject following to be resubmitted to the shareholders' attention at a subsequent Extraordinary General Meeting of the Shareholders. Considering the vote expressed by the majority shareholder, the number of votes necessary to reach a decision on the item on the agenda of the EGMS regarding the "Approval of the Strategy and Action Plan for the update of the Refurbishment Project of Cernavoda NPP Unit 1" was not reached.

4.7. Major litigations

The situation of the major litigations (worth over 500.000 lei) and of the unvalued currency in progress on 30 June 2017 is presented in **Appendix 4**.

4.8 Other information

The half year report of the Board of Directors for the first semester of 2017 is accompanied by the simplified interim individual unaudited financial statements and respectively by the consolidated ones as at and for the period ended at 30 June 2017; these financial situations have been revised by the financial auditor, the revision reports of the auditor being available on SNN website in the Invest Relations section.

5. THE MAIN ECONOMICAL AND FINANCIAL INDICATORS AS AT 30.06.2017

The performance of SNN is also found in the fulfilment of the main economic and financial indicators, as follows:

Indicator name	Calculation	u.m.	Value 30.06.2017 *)
1. Current liquidity indicator	Current assets/ current liabilities	x	4,84
2. Indicator of indebtedness			
2.1. Indebtedness indicator (1)	Long term liabilities / Equity x 100	%	15,8%
2.1. Indicator of debt ratio (2)	Long term liabilities / Employed capital x 100	%	13,6%
3. Receivables turnover ratio	Average balance of accounts receivables / Turnover x 180	days	22
4. Non-current assets turnover	Turnover / Non-current Assets	x	0,25

**) Based on Simplified Individual Interim Financial Statements Revised on and for the six month period ended June 30, 2017.*

6. DEGREE OF ACCOMPLISHMENT OF PERFORMANCE INDICATORS

According to the provisions of art. 7.19 and art. 7.21 of the management contracts concluded by the members of the Board of Directors, whose mandate expired on April 25, 2017, and the Company, the members of the Board of Directors have the following obligations :

- to present to the General Meeting of Shareholders a quarterly a report on the Administrative activity including information on the execution of directors' mandate contracts, details of operational activities, the financial performance of the Company and the accounting records of the Company;
- to prepare quarterly reports, including, but not limited to, the fulfilment of the performance criteria, taking into account the weight of each indicator and its variation from the set target level, reports to be submitted for approval to the General Meeting of the Company's Shareholders, and the granting of the first subcomponent of the variable component, as mentioned in art. 18 of the management contracts, to be carried out only in the case of approval of the quarterly reports.

At the same time, the management contracts concluded by the Company with the members of the Board of Directors, whose mandate expired on 25 April 2017, provide at art. 23, the fact that the Company has the obligation to pay all the due rights to the administrator provided in the administration contract. Thus, in order to observe the contractual provisions of the members of the Board of Directors in exercise until 25 April 2017, period included in the first semester 2017, as well as in order to observe the Company's obligations to calculate and give to the administrators the due remuneration, as provided in the management contracts in force until April 25, 2017, the degree of achievement of the performance indicators was calculated on the basis of SNN's Income and Expense Budget ("BVC") approved by GMS by Decision no. 1 / 29.03.2017 and the quarterly breakdown of the budget for the period January - April 2017, as well as on the basis of Annexes 1 and 1.1 of the management contracts concluded between the administrators and SNN, updated by the GMS Decision no. 1 / 29.03.2017, including the level of indicators and performance criteria for 2017, respectively for the period January-April 2017.

The addendums to the contracts concluded between the administrators whose mandate expired on 25 April 2017 and the company provide that the "payment of the first subcomponent of the variable remuneration, related to April 2017, with the adjustment for January – April 2017 of the first subcomponent of the variable remuneration shall be performed without the obligation of the administrator to prepare, present and submit for approval a report of the Board of Directors, for the month of April 2017, within 30 days since the date when the financial and non-financial data related to April 2017 are available, following that the calculation of the indicators be verified and certified by the financial auditor of the company, based on a specific procedure report".

The indicators were fulfilled in excess of 100% for the period January - April 2017, as shown in Appendix 5 (the degree of fulfilment according to the BVC values approved by GMS Decision no.1 / 29.03.2017 being in the ratio of 172,44 %). These considerations are also valid for Mr. Sebastian Tcaciuc whose mandate continues until December 23rd 2017, but was amended by the GMS resolution no. 3/11.07.2017 in order to align the legal provisions regarding the variable remuneration to the remuneration of the administrators whose contract expired on 25 April 2017.

Board of Directors**Iulian Robert Tudorache,
Chairman**

Appendix 1 – Financial position as at 30 June 2017

	30 June 2017	31 December 2016
	(revised)	(audited)
		(restated)
Assets		
Non - current assets		
Property, plant and equipment	6.931.848.012	7.108.486.979
Intangible assets	71.424.465	80.636.405
Financial investments	141.689.201	141.689.201
Total non-current assets	7.144.961.678	7.330.812.585
Current assets		
Inventories	332.853.782	331.057.122
Trade receivables and other receivables	134.546.068	162.063.302
Payments	24.790.685	12.699.411
Bank deposits	1.250.951.769	1.245.073.268
Cash and cash equivalents	360.268.952	263.714.387
Total current assets	2.103.411.256	2.014.607.490
Total assets	9.248.372.934	9.345.420.075
Equity and liabilities		
Equity		
Social capital of which :	3.210.641.253	3.210.641.253
Subscribed and paid-up share capital	<i>3.015.138.510</i>	<i>3.015.138.510</i>
Inflation adjustment to share capital	<i>195.502.743</i>	<i>195.502.743</i>
Share premium	31.474.149	31.474.149
Prepaid share reserve	21.553.537	21.553.537
Revaluation reserve	252.258.697	265.842.461
Retained earnings	3.991.131.816	3.945.257.743
Total shareholder's equity	7.507.059.452	7.474.769.143
Liabilities		
Non-current liabilities		
Long term borrowings	977.506.379	1.087.961.815
Deferred income	136.274.285	143.446.616
Deferred tax liability	153.820.356	157.022.057
Employees' benefits	39.553.412	31.907.053
Total non-current liabilities	1.307.154.432	1.420.337.541
Current liabilities		
Accounts payables and other liabilities	198.603.692	216.770.484
Due profit tax	2.612.653	6.431.972
Deferred income	25.443.096	6.181.408
Current portion of long-term borrowings	207.499.609	220.929.527
Total current liabilities	434.159.050	450.313.391
Total liabilities	1.741.313.482	1.870.650.932
Total equity and liabilities	9.248.372.934	9.345.420.075

Appendix 2 – Profit and loss account for the six month period ended as at 30 June 2017

	Three months ended June 30, 2017 (unreviewed)	Three months ended June 30, 2016 (unreviewed)	Six months ended June 30, 2017 (reviewed)	Six months ended June 30, 2016 (Reviewed, restated)
Revenues				
Sales of electricity	385.808.625	277.332.005	869.718.743	723.764.321
Electricity transmission revenues	3.081.050	8.085.398	6.787.777	19.406.569
Total revenues	388.889.675	285.417.403	876.506.520	743.170.890
Other income	9.085.939	2.394.768	16.466.100	(924.360)
Operating expenses				
Depreciation and amortization	(123.083.330)	(119.349.324)	(245.976.181)	(238.404.790)
Personnel expenses	(72.193.337)	(74.329.817)	(149.137.211)	(142.282.641)
Cost of traded electricity	(12.231.966)	(2.809.314)	(20.706.256)	(5.223.213)
Repair and maintenance	(64.642.431)	(64.251.145)	(76.856.114)	(81.000.460)
Electricity transmission expenses	(3.081.050)	(8.085.398)	(6.787.777)	(19.406.569)
Costs with spare parts	(9.555.889)	(15.051.909)	(13.312.232)	(16.806.094)
Cost of uranium fuel	(19.913.489)	(27.726.731)	(57.465.473)	(66.905.694)
Other operating expenses	(91.367.840)	(78.869.949)	(175.436.401)	(155.885.592)
Total operating expenses	(396.069.332)	(390.473.587)	(745.677.645)	(725.915.053)
Operating profit / (loss)	1.906.282	(102.661.416)	147.294.975	(16.331.477)
Finance cost	(18.259.773)	(39.948.277)	(37.392.882)	(62.054.380)
Finance income	31.579.422	16.163.654	48.874.356	48.569.430
Net finance revenues/ (expenses)	13.319.649	(23.784.623)	11.481.474	(13.484.950)
Profit / (Loss) before income tax	15.225.931	(126.446.039)	158.776.449	2.846.527
Net income tax expenses	(1.891.379)	20.025.111	(24.996.497)	(1.110.960)
Profit / (Loss) for the period	13.334.552	(106.420.928)	133.779.952	1.735.567

Appendix 3 – Revenue and expenses budget execution as at 30.06.2017

						thousands lei
		INDICATORS	Row no.	Budget Q II cumulative 2017 - approved by OGMS Decision no. 1 / 29.03.2017 -	Achieved Q II. Cumulative 2017	% Achieved vs. Approved [Col. 5 / Col. 4]
1	2		3	4	5	6
I.		TOTAL REVENUES (Row 2 + Row 5 + Row 6)	1	916.549	941.847	102,8%
	1	Total operating revenues, of which:	2	859.694	892.973	103,9%
		c ₁ Subsidies, according to the legal provisions in force	3	-	-	-
		c ₂ Transfers, according to the legal provisions in force	4	-	-	-
	2	Finance revenues	5	56.855	48.874	86,0%
	3	Extraordinary revenues	6	-	-	-
II.		TOTAL EXPENSES (Row 8 + Row 20 + Row 21)	7	909.875	783.070	86,1%
	1	Operating Expenses (Row 9 + Row 10 + Row 11 + Row 19)	8	857.928	745.677	86,9%
	A.	Expenses for goods and services	9	323.814	267.302	82,5%
	B.	Expenses with taxes, taxes and similar payments	10	95.509	52.513	55,0%
	C.	Personnel expenses (Row 12 + Row 15 + Row 17 + Row 18)	11	157.517	150.483	95,5%
	C₀	Personnel expenses (Row 13 + Row 14)	12	120.266	112.974	93,9%
	C₁	Salaries	13	106.944	103.636	96,9%
	C₂	Bonuses	14	13.322	9.338	70,1%
	C₃	Other personnel costs	15	518	531	102,6%
		a) Expenditure on related compensatory payments for staff redundancies	16	-	-	-
	C₄	Expenditure related to the mandate contracts and other management and control entities, boards and committees	17	1.960	1.701	86,8%
	C₅	Social security expenses, special funds and other legal obligations	18	34.774	35.278	101,4%
	D.	Other operating expenses	19	281.087	275.379	98,0%
	2	Finance expenses	20	51.947	37.393	72,0%
	3	Extraordinary expenses	21	-	-	-
III		GROSS RESULT (profit / loss) (Row 1 – Row 7)	22	6.674	158.777	2.379,1%
IV		INCOME TAX	23	5.517	24.997	453,1%
V		ACCOUNTING PROFIT AFTER THE INCOME TAX DEDUCTION (Row 22 – Row 23)	24	1.157	133.780	11.567,2%

*) Note: See the mentions on item 2.3

**) On 30 June 2017, as per the modifications in the accounting policy related to the application of IFRIC 21, detailed in the interim individual simplified unaudited financial statements, reviewed by financial auditor as at and for the period ended 30 June 2017, representing the elimination of allocation of certain expenses with local taxes provided in the first quarter of 2017

Appendix 4 – Major SNN litigation in progress on 30 June 2017 (over 500,000 lei), including unrated monetary

No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
SNN Executiv								
1.	3868/118/2012	Civil Court in Constanta	Creditor	S. C. PROCONEX Universal S.R.L	Insolvency Bankruptcy Loan 3.36..886,85 lei	First court	Ongoing procedure.	11.09.2017
2.	2183/115/2010	Civil Court Caras-Severin	Creditor	S.C. CET Energoterm Resita S.A.	Insolvency Bankruptcy Debt 580..974,21 lei	First court	Ongoing procedure.	09.11.2017
3.	48031/299/2010	Penal District Court 1 Court of Appeal Bucharest	Civil part	Rotaru Ioan, Ispas Gheorghe, Irimie Traian TESS - Part civil liability.	Corruption offenses - abuse of office. SNN is a civil party to the proceedings with an estimated loss of 13.493.080,3 lei.	Appeal	<p><i>First court</i> Condemn the defendants in jail and pay the damages.</p> <p><i>Appeal</i> Admitting in part the evidence requested by the defendants. It acknowledges the re-examination of the witnesses, as well as the hearing of new witnesses. It shall give evidence to the parties to the documents submitted to the file. Proroga pronouncing on the performance of specialized expertise for the next term. Rejects as unnecessary the other evidence requested by the parties as well as the requests for issuing addresses to S.N. Nuclearelectrica S.A., Tess Conex S.A. And the Government of Romania in order to obtain documents / normative acts. Proroga pronouncement on the application for referral of the Constitutional Court to resolve the objection of unconstitutionality of the provision Art. 297 para. C) Criminal Code and Art. 13 ind.2 of Law no. 78/2000, for the next term.</p>	21.09.2017
4.	9089/101/2013	Civil Court Mehadinti	Creditor	Autonomous Authority for Nuclear Activities (RAAN)	Insolvency. Receivable in reorganization plan RON 5.450.135,91 Liquidation bankruptcy. Receivable 7.828.405,48 lei	First court	Ongoing procedure. Under art. 107 par. 1 lit. C Law no. 85/2006. Has the bankruptcy proceedings of the debtor. Under art. 107 par. 2 Law no. 85/2006. Appoints a provisional liquidator on Euro Insol SPRL.	14.09.2017

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
5.	7238/120/2012	Civil Court Dambovita	Creditor	S.C. Eco Energy S.R.L.	Bankruptcy Debt 2.464.059,64 lei	First court	Ongoing procedure. The claim entered in the final table. Pursuing receivable to be recovered from Edland S.R.L.	27.11.2017
6.	873/1259/2008	Civil Court Arges	Creditor	Termoficare 2000 S.A.	Insolvency Bankruptcy. Debt 2.713.986,71 lei	First court	Ongoing procedure.	31.10.2017
7.	18770/3/2007	Civil Court Bucharest	Creditor	S.C. Con-Dem S.A.	Insolvency Bankruptcy. Debt 2.446.227,08 lei. Debt admitted in the pay program is of 2.079.293,02 lei (85% from Debt accepted in the table).	First court	Ongoing procedure.	18.10.2017

No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
8.	3793/2/2013	Administrative Court of Appeal High Court of Cassation and Justice	Intimate	Greenpeace CEE Romania	Cancellation of the decision to issue the environmental agreement and the environmental agreement regarding the Units 3 and 4 project.	Recourse	<p><i>First court</i> Accepts the exception to the lack of object of the second part of the initial request (annulment of the environmental agreement on the project "Continuation of construction and completion works of Units 3 and 4). Rejects the second part of the initial request for annulment of the environmental agreement regarding the project "Continuation of construction and completion of Units 3 and 4 at Cernavoda NPP", as being unreasonable. Otherwise, it rejects the request, as supplemented by the additional request, as unreasonable.</p> <p><i>Recourse</i> Decision no. 2100 of 23 June 2016. It accepts the appeal made by the Greenpeace CEE Foundation and the Bankwatch Romania Association against the judgment no. 1436 of 9 May 2014 of the Bucharest Court of Appeal - VIIIth Administrative and Fiscal Section. She filed the sentenced sentence and sent the cause to rehearing at the same instance. Definitely, today June 23, 2016.</p> <p><i>First court rehearing (CAB)</i> It rejects the petition for legal action as unreasonable. With recourse within 15 days of communication. Decision no. 2208/2017.</p>	Follows term

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
9.	11661/3/2014	Court of Appeal Bucharest Court Bucharest - Rehearing	Intimate	S.C. Fondul Proprietatea S.A.	Determination of the absolute nullity of the EGMS S.N. no. 1 / 11.03.2014.	Appeal First court rehearing	<p><i>In First court (TB)</i> It rejected the request of Fondul Proprietatea admitting the exception of the lack of interest in the object of the application</p> <p><i>Appeal CAB</i> Grants the Proprietatea Fund's appeal, cancels the called sentence and sends the cause to rehearing at the same instance . Final .</p> <p><i>First court rehearing(TB)</i> The Court ordered the suspension of the case in the light of the fact that Court Bucharest and Court of Appeal Craiova have asked the Court of Justice of the European Union to clarify the possibility of state aid in connection with the projects that are the subject of the EGMS S & no. 1 / 03.11.2014.</p>	Suspended
10.	40046/3/2014	Court Bucharest	Defendant	S.C. Fondul Proprietatea S.A.	<p>Absolute nullity of the decision of AGEA no.8 / 6.10.2014 increasing share capital with cash contribution by issuing shares.</p> <p>Statement of court decision at the Trade Registry and deletion of the mentions from the Trade Register based on the cancelled AGEA decision.</p>	First court	<p><i>First court</i> Dismiss the cause for additional evidence.</p>	12.09.2017
11.	416/2/2014	Administrative Court of Appeal Bucharest ICCF	Petitioner Complainant	National Regulatory Authority for Energy	Change of regulated tariff by Decision no. 3609/2013.	First court	<p><i>First court</i> On October 14, 2014, the request was rejected as unintended. Decision 2723 / 14.10.2014.</p>	27.02.2018

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
12.	1794/118/2016	Penal Court Constanta	Part civilian	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor SC Davy Security SRL Party civilly responsible by the judicial administrator.	Damage 3.471.463 euro.	First court	<i>First court</i> In order to continue the judicial investigation by hearing the defendants. Discussion of the evidence.	27.09.2017
13.	38724/3/2014	Court Bucharest Section II contentious Administrative	Third seized	The Romanian State through the Ministry of Public Finance	Appeal against execution and cancellation of all enforcement acts in the file of ex.22 / 2014 creditors Multipack SRL, European Food SA, Starmil SRL, Micula Ioan	First court	<i>First court</i> Under art. 413 par. 1 point 1 The NCPC suspends the trial until the final settlement of the file no. 15755/3/2014. With appeal throughout the suspension.	Follows term
14.	13275/3/2015	Court Bucharest Court of Appeal Bucharest	Defendant	S.P.E.E.H. Hidroelectrică S.A.	Claims 40.812.717 lei difference contravalue buying energy insurance contract and energy sales and legal interest..	First court	<i>First court</i> Admits the exception of the prescription of the material right to action. Rejects the action as being prescribed. With appeal within 30 days of communication. Decision 6860 / 07.12.2015. <i>Appeal</i> Dismisses the appeal as unfounded. With appeals within 30 days of communication, which is filed with the Court of Appeal of Bucharest.	Follows term

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
15.	4960/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Suspension execution measure D & O INSURANCE POLICIES.	First court	<p><i>First court</i> Holds the application in part and suspends the application of point II.12 of the operative part of the decision no. 16 / 11.05.2015 issued by the Court of Auditors of Romania - Department IV until the final settlement of the substantive action filed in the file no. 4912/2/2015. Enforceable. Dismisses as inadmissible the application for suspension of the execution of point 10 of the conclusion no. 59 / 17.07.2015 and point 3.1.10 of the Control Report no. 4371 / 10.04.2015 issued by the Court of Auditors and Romania.</p> <p><i>Recourse</i></p>	Follows that the Court set the deadline.
16.	4961/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Suspension of execution TURISTIC SERVICES	First court	<p><i>First court</i> Admits the exception to the inadmissibility of the application for suspension of execution of point 3.1.5 of the Control Report no. 4371 / 10.04.2015 and consequently rejects this claim as inadmissible. In any event, it dismisses the application for suspension as unreasonable. With recourse within 5 days of communication. Decision no. 2660 / 20.10.2015.</p> <p><i>Recourse</i></p>	Follows that the Court set the deadline.
17.	3490/121/2015	Civil Court Galati	Complainant	S.C. ArcelorMittal Galati S.A.	Claims 8.575.245,78 lei difference corresponds to the sale of disposed energy and other associated expenses.	First court	<p><i>First court</i> Dismisses the action for the defendant to pay compensation for damages arising from contract no. 207 / 22.02.2013 as unfounded.</p>	13.09.2017

No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
18.	4968/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Suspension execution measure dues LEGAL CONSULTATIONS	First court	<p><i>First court</i> Partially admits the action. Has the suspension of the partial execution of Decision no. 16/2015, namely the measure set out in point II.11, and of the Conclusion no. 59/2015 - point 9, until the final settlement of the action in the annulment of point II.11 of the Decision no. 16/2015 and point 9 of the Conclusion no. 59/2015. Rejects the request to suspend the control report no. 4371/2015 - point 3.1.9- as inadmissible.</p>	Follows that the Court set the deadline.
19.	4969/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Suspension execution measure MICROSOFT	First court	<p><i>First court</i> Rejects the request for suspension of point 3.1.11 of the control report no. 4371 / 10.04.2015 issued by the Court of Auditors of Romania as inadmissible. Partially admits the suspension request. Suspends the execution of item 11 of the conclusion no. 59 / 17.07.2015 and point II.13 of the Decision no. 16 / 11.05.2015 issued by the Court of Auditors of Romania until the final settlement of the substantive action. Enforceable..</p> <p><i>Recourse CC</i></p>	Follows that the Court set the deadline.
20.	4970/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Suspension execution measure THE NON - RESIDENTS	First court	<p><i>First court</i> Partially admits the request. Has the partial suspension of Decision no. 16 / 11.05.2015 regarding point II.8, respectively of the Conclusion no. 59 / 17.07.2015 regarding point 6, until the final settlement of the action for annulment. Dismisses as inadmissible the application for suspension of point 3.1.3 of the Control Report no. 4371-10.04.2015.</p> <p><i>Recourse CC</i></p>	Follows that the Court set the deadline.

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
21.	4971/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Suspension execution measure Contract execution GENERAL CONCRETE	First court	<i>First court</i> The court of first instance dismissed the application for suspension of Decision no. 16 / 11.05.2015 and Ending no.59 / 17.07.2015.	Follows that the Court set the deadline.
22.	4959/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Undo measure EXCURSIONS	First court	<i>First court</i> Admit the request. Partly cancels the Decision no.59 / 17.07.2015 issued by the defendant regarding point 3. It partially cancels the Decision no.16 / 11.05.2015 issued by the defendant, regarding the measures stipulated in point 5 and Measure no. 3 Partially Cancels Control Report No.4371 / 10.04.2015 issued by the defendant regarding point 3.1.5. Oblige the defendant to £ 4,550 in court costs to the complainant.	Follows that the Court set the deadline.
23.	4902/2/2015 conexas cu 4907/2/2015 bonuses	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Undo measure CONTRIBUTIONS and BONUSES	First court	<i>First court</i> Accepts the main claim and the related claim, in respect of points 1 and 2. It cancels in part the conclusion no. 59 / 17.07.2015 and Decision no. 16 / 11.05.2015, regarding points 9 and 8 of the conclusion, respectively the measures in II.11 and II.10 of the decision. Dismisses as inadmissible point 3 of both applications, concerning the partial annulment of the Control Report no. 4371 / 04.10.2015. With recourse within 15 days of communication. The application will be filed with the CAB - Section VIII Definitive. Decision no. 3419 / 12.17.2015.	Follows that the Court set the deadline.

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
24.	4906/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Undo measure ACQUISITIONS	First court	<p><i>First court</i> Based on art. 413 par. 1 pt. 1 Cpc suspends the present case pending the final settlement of file no. 62136/299/2015 of Judecatoria Sectorului 1 Bucharest. With recourse throughout the suspension. Closing - Suspension 18.01.2016 Rejects the action as unfounded. With recourse within 15 days of communication. Pronounced today, 10.10.2016. Rejects the action as first courted. With recourse within 15 days of communication. Pronounced in public sitting today, 10.10.2016. Decision no. 2961/2016. <i>Recourse.</i></p>	Follows that the Court set the deadline.
25.	4912/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Undo measure INSURANCE POLICIES	First court	<p><i>First court</i> Admit the request. Dismisses the plea of inadmissibility of the application for partial annulment of the Control Report No.4371 / 10.07.2015. Accepts the action. It annuls in part the Final No. 59 / 17.07.2015, issued by the defendant regarding point 10, Decision no. 16 / 11.05.2015 issued by the defendant regarding the measure ordered in point II.12 of the decision's decision, As well as point 3.1.10 of the Control Report no.4371 / 10.04.2015 issued by the defendant. With recourse within 15 days of communication. Decision 173/2016 26.01.2016. <i>Recourse</i></p>	Follows that the Court set the deadline.

No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
26.	4946/2/2015	Administrative Court of Appeal Bucharest	Complainant	Court of Auditors intervenient General Concrete	Undo measure GENERAL CONCRETE	First court	<i>First court</i> Faced with the lack of expertise, the causes are postponed and returned with the address to the expert lady under the sanction of applying a fine, art. 187 Cpr.civ non-submission of the report in the established term. Closed on 09.06.2017.	08.09.2017
27.	4958/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Undo measure NON - RESIDENTS	First court	<i>First court</i> Accepts the action. Cancels in part the conclusion no. 59 / 17.07.2015, respectively regarding the rejection of item VI of the contest no. 6420 / 28.05.2015, and, consequently, cancels the measure taken in point II.8 of the decision no. 16 / 11.05.2015 for the removal of the deviation presented in point 3 of the same decision, as well as point 3.1.3 of the control report no. 4371 / 10.04.2005. With recourse within 15 days from the communication, the application for the appeal shall be filed with the Court of Appeal of Bucharest, Section VIII of Administrative and Fiscal Contentious. Pronounced March 10, 2016. <i>Recourse</i>	Follows that the Court set the deadline.
28.	4964/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Undo measure JUDGING JUDGES	First court	<i>First court</i> The plea of inadmissibility of the application for annulment of paragraph 3.1.7 of the Control Report no. 4371 / 10.04.2015 invoked by the defendant. Dismisses as inadmissible the claim for annulment of point 3.1.7 of the Control Report No.4371 / 10.04.2015. Rejects unrelated actions as unreasonable. With recourse within 15 days of communication. The appeal shall be lodged with the Court of Appeal of Bucharest. Decision no. 373 / 09.02.2016. <i>Recourse</i>	Follows that the Court set the deadline.

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
29.	4965/2/2015	Administrative Court of Appeal Bucharest ICCJ	Complainant	Court of Auditors	Undo measure MICROSOFT	First court	<i>First court:</i> Grants the request, in respect of points 1 and 2. It cancels in part the conclusion no. 59 / 17.07.2015 and Decision no. 16 / 11.05.2015, regarding point 11 of the conclusion, respectively the measure in point II.13 of the decision. Dismisses as inadmissible point 3, concerning the partial annulment of the Control Report no. 4371 / 04.10.2015. With recourse within 15 days of communication. The recourse will be submitted to the CAB - Section VIII. Decision no. 236 / 28.01.2016.	Follows that the Court set the deadline.
30.	45494/3/2015	Court Bucharest Section VI civilian	Complainant Called for warranty	Directors of S.N. Nuclearelectrica S.A. In addition, GMS members.	Damage 708.407 lei. Implementation of the measure ordered by the CC through the 2012 D & O policy.	First court	<i>First court</i> It rejects the exception of the lack of passive procedural quality invoked by the defendants Grama Mioara, Popescu Lucia - Ioana, Chiriac Cristiana and Serbanescu Cristian Ovidiu. Admits the exception of the prescription. Rejects the application, declaring the right to action prescribed. Rejects the claim for warranty that it remains inappropriate. Oblige the complainant to pay the following costs: 8226.53 lei to the defendant Grama Mioara, 7873.53 lei to the defendant Popescu Lucia-Ioana and 7925.79 lei to the defendant Chiriac Cristiana. With right of appeal within 30 days of communication. Decision no. 7583 / 29.11.2016.	Follows that the Court set the deadline.
31.	1367/2/2016	Administrative Court of Appeal Bucharest ICCJ	Complainant	ANAF	Annulment of Administrative Decision Decision 25 / 29.01.2016.	First court	<i>First court</i> Rejects the action as unintentional. With recourse within 15 days of communication. Decision no. 2656 / 21.09.2016. <i>Recourse</i>	Follows that the Court set the deadline.
32.	409/2/2016	Court of Appeal Bucharest	Civil part	Tudor Ion Criminal group Insolvency house Banat liquidator at CET Energoterm Resita	Tax evasion offenses, forgery, bribery giving 580.974,21 lei.	First court	The ongoing procedure.	29.09.2017

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No.	File number	Nature of litigation / Instance	Quality of SNN	Party	Value	Stage	Description	Procedural stage Term
33.	6874/3/2016*	Court Bucharest	Defendant	Nuclear and Radioactive Waste (ANDR)	Claims 131,080.08 euros contributions according to the HG no. 1080/2007 for 2010-2012. Contributions for 2013-2015 for the difference in energy produced and delivered in SEN. Penalties 2010-2015 up to the date of effective payment.	First court	<i>First court</i> It rejects the exception of the prescription of the material right to action as unreasonable. It dismisses the petition for dismissal as unreasonable. With right of appeal within 30 days of communication.	Follows that the Court set the deadline.
34.	9230/3/2016	Court Bucharest Section II	Defendant	Greenpeace CEE Romania	Public interest information communication Letter of support Project Units 3 and 4.	First court	Request for an incidental intervention in the interest of the Ministry of Energy. <i>First court</i> Rejects the claim as unreasonable. Accepts an application for an incidental intervention in favor of the defendant. With recourse within 15 days of communication. Decision no. 6924 / 12.05.2016.	Unreached Sentence.
35.	1704/3/2017	Penal Court Bucharest Section II	Complainant	Civitas P.S.G. SRL	Public procurement litigation.	First court	<i>First court</i> Rejects the plea of inadmissibility raised by the defendant. It accepts the exception to the lack of interest in the application, relied on by the defendant. Rejects the defendant-defendant's application as unreasonable. Rejects the counter-claim. Rejects the complainant's petition for sanctioning the defendant-defendant. Accepts the request for restitution formulated by the defendant CIVITAS P.S.G. LLC Dispenses restitution to defendant CIVITAS P.S.G. LLC Of the amount of 4,797.6 lei paid as a judicial stamp duty. With recourse within 10 days of communication. Decision no. 3878 / 20.06.2017.	Follows term

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No.	File number	Nature of litigation / Instance	Quality SNN	Side adversity	Value	Stage	Description	Stage processual Term
Cernavoda NPP Branch								
1.	10673/118/2010	Civil/ Court of Appeal Constanta	Intimate Defendant	Sava Marian	Compensations	Appeal	<p><i>First court</i> Rejected as unfounded exceptions inadmissibility, lack of locus and passive locus standi raised by the defendant S.N. Nuclearelectrica S.A. .. Admits the exception to the delay in the application for a change in the passive procedural framework. He rejects the complainant's request to amend the passive procedural framework as late. The non-objectionable exception is the exception of the lack of process capacity of the Cernavoda Local Council. It dismisses as unfounded the petitioner's request to sue Sava Marian in contradiction with the defendant S.N. Nuclearelectrica S.A. Refuses the remainder of the application for a warranty claim made by the defendant S.N. Nuclearelectrica S.A. In contradiction with warrants called Cernavoda City through Mayor and Mayor of Cernavoda. Sava Marian obliged the plaintiff to pay the sum of 27,003.33 lei to the defendant S.N. Nuclearelectrica S.A. representing court costs (judicial stamp duty stamp, expert fees). With appeal within 15 days of communication. Civil sentence nr. 603 / 14.03.2016.</p> <p>Appeled. It was partially admitted, by civilian decision no. 196 / 03.22.2017, appealed cancelled any judgment regarding the request for amendment of the exception of lateness sued. Rejected the exception lateness request for changing the retrial sued and application of summons filed in contradiction with defendants council has Cernavoda Cernavoda City: dismisses the lack of capacity of national procedural Cernavoda Local Council as unfounded. Dismisses of summons filed in contradiction with the defendants City Council and City Cernavoda NPP as unfounded. Maintain the rest of the sentenced sentences. no. 196 / 22.03.2017</p>	Follows term
2.	14951/118/2011 (Suspended under art. 36 of Law 85/2006)	Civil/ District Court Medgidia	Complainant	S.C. Car Construct S.R.L.	Land Release SNN SA - concreted platform occupied by SC CAR CONSTRUCT SRL based on the sale contract concluded with SC CNE S.A.	First court	According to art. 36 of the Law no. 85/2006 (insolvency law): the case was suspended.	Suspended

Appendix 5 – DEGREE OF ACCOMPLISHMENT OF PERFORMANCE INDICATORS for the period January-April cumulative 2017 - Board of Directors

No.	Objective / Performance Indicators	Measuring	UM	Provisions JANUARY - APRIL 2017 (*)	Provisions JANUARY - APRIL 2017, amended (**)	Achievements JANUARY - APRIL 2017	Degree of accomplishment (%)	Degree of accomplishment (%) amended	Weighting coefficient	Degree of accomplishment performance indicators col. 6 * col. 8 (%)	Degree of accomplishment performance indicators col. 7 * col. 8 (%)
0	1	2	2	3	4	5	6	7	8	9	10
Improving indicators regarding the financial performance of the Company											
1	Annual turnover (cumulative since the beginning of the year)	Row 01 form 20 Balance sheet	Million RON	602,00	602,00	642,76	106,77%	106,77%	0,20	21,35%	21,35%
2	Annual operating result (cumulative since the beginning of the year)	Row 36 Form 20 Balance sheet	Million RON	50,00	92,09	188,13	376,26%	204,29%	0,20	75,25%	40,86%
3	Overdue payments	Row.04 Code 30 Balance sheet	Thousand RON	-	-	-	100,00%	100,00%	0,10	10,00%	10,00%
4	Labor productivity (cumulative since the beginning of the year)	Fiscal value / Average number of personnel	Thousand RON/person	299,00	299,00	323,81	108,30%	108,30%	0,10	10,83%	10,83%
5	Operating Expenses at 1.000 lei turnover (cumulative since the beginning of the year)	(Operating Expenses (Fiscal value *)1.000	RON	980,00	910,15	723,77	135,40%	125,75%	0,10	13,54%	12,58%
Execution of the major investment objectives											
6	Execution of the annual value plan cumulated since the beginning of the year (According to Table 28 and Annual Budgets)	Value of investments / Values of planned investments	%	7,00%	7,00%	11,22%	160,29%	160,29%	0,15	24,04%	24,04%
Maintaining the production capacity of electricity above the average level in the industry											
7	Capacity factor (cumulative since the beginning of the year)	Production achieved MWh / Maximum theoretical output MWh	%	80,00%	80,00%	99,44%	124,30%	124,30%	0,10	12,43%	12,43%
Operation of nuclear units in safety and nuclear safety for personnel, population, environment and production assets											
8	No operating events exceeding Level 1 on the International Nuclear Event Scale, concerning the degradation of the in depth defence barriers, onsite and off-site impact	CNE Cernavoda		0 Higher level 1 events on the INES scale	0 Higher level 1 events on the INES scale	0 Higher level 1 events on the INES scale	100,00%	100,00%	0,05	5,00%	5,00%
Performance level of performance indicators									1,00	172,44%	137,09%

*) Values according to the Income and Expense Budget for 2017, approved by GMS Decision no. 1 / 29.03.2017

***) On 30 June 2017, as per the modifications in the accounting policy related to the application of IFRIC 21, detailed in the interim individual simplified unaudited financial statements, reviewed by financial auditor, as at and for the period ended 30 June 2017, representing the elimination of allocation of certain expenses with local taxes provided in the first quarter of 2017

Appendix 6 – Legal documents concluded in the first semester of 2016 as per art. 52 of OUG 109/2011

Transactions with related parties for the first half of 2017, whose value exceeds individually or cumulatively 50,000 EUR, were reported in current reports from January 3 2017, January 19, 2017, February 2, 2017, February 28, 2017, March 30, 2017, April 14, 2017, May 11, 2017, May 31, 2017, June 16, 2017, June 22, 2017, and June 30, 2017.

Transactions with affiliated parties for the first semester of 2017, the value of which does not exceed individually or cumulatively 50,000 EUR, are included in the agenda of the General Meeting of Shareholders in the first half of 2017, as follows: item 6 on the agenda AGA of March 29, 2017, item 19 on the AGA agenda of 24 April 2017, item 14 on the AGA agenda of 11 July 2017.

Transactions between 01.05.2017 - 30.06.2017, which are subject to Art. 52 of GEO no. 109/2011 but to be presented at the following AGA are presented in the table below:

Transactions - energy deliveries

No.	Parties to the legal act	End date and act number	The nature of the legal act	Object description	Total value (RON or other currencies)	Mutual receivables / liabilities	Guarantees established	Terms and payment terms	Other significant elements
1.	TRANSELECTRICA S.A.	16.06.2017/539	Contract	Sale energy wholesale period 01.07.2017 - 31.12.2018.	24.673.932,50 RON	Receivables at 16.06.2017 (RON): 8.991,15	N/A	Fully prepaid electricity payment. The incoming invoice is issued in the month preceding the delivery month with the 15 calendar days prior to the beginning of the delivery period for the electricity that follows to be delivered in that month. Payment will be made no later than the sixth business day from the date of receipt of the invoice by fax or email..	Attributed by the PCCB-LE auction. Late pay penalties for each day of delay, calculated from the day immediately following the maturity date to the date of settlement of the due amount, inclusive. The penalty invoice will be paid in full within the five business days of issue.

No.	Parties to the legal act	End date and act number	The nature of the legal act	Object description	Total value (RON or other currencies)	Mutual receivables / liabilities	Guarantees established	Terms and payment terms	Other significant elements
2.	ELECTRICA FURNIZARE	22.06.2017/1056	Additional act no.8 to the contract no. 526/31.12.2013.	Sale energy wholesale period 01.07.2017 - 31.12.2017.	28.777.043,59 RON	Receivables at 22.06.2017 (RON): 1.083.463,81	N/A	The payment is made within 10 business days from the date of issuance of the invoice + 15 days of grace.	Change of prices regulated by an Additional Act according to ANRE Decision no. 861 / 13.06.2017 amending the ANRE President's Decision no. 1960 / 14.12.2016 regarding the approval of the regulated prices for the electricity supplied and the quantities of electricity sold on the basis of regulated contracts in 2017. The provisions of the Decision no. 861 / 13.06.2017 applies as of 01.07.2017.

Transactions – acquisitions

Nos.	Parties to the legal act	End date and act number	The nature of the legal act	Object description	Total value (RON or other currencies)	Mutual receivables / liabilities	Guarantees established	Terms and payment terms	Other significant elements
1.	AUTONOMOUS ADMINISTRATIONS TECHNOLOGIES FOR NUCLEAR ENERGY (RATEN) – INSTITUTE OF NUCLEAR PITESTI RESEARCH (ICN)	09.05.2017/383	Addendum 3 to Framework Agreement no.350/21.03.2014.	Adjustment of Contract Fees (Framework Agreement Subject: Radiation Treatment Services of water resulted from UO2 manufacturing process, powder control and	Value of the addendum (RON): 12.853,80	Debt to RATEN - ICN on 09.05.2017 (RON): 525.125,91	Guarantee of RATEN - ICN on 09.05.2017 (RON): 52.442,57	30 days from the date of the Service Reception Service based on the original invoice of the promissory provider.	N/A

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(All amounts are stated in RON, unless otherwise indicated)

Nos.	Parties to the legal act	End date and act number	The nature of the legal act	Object description	Total value (RON or other currencies)	Mutual receivables / liabilities	Guarantees established	Terms and payment terms	Other significant elements
				pellets from FCN Pitesti Branch.)	Total value of Framework agreement (RON): 957.282,00				
2.	NATIONAL COMPANY OF NAVIGABILITY CHANNELS ,WATERWAYS (Locator)	31.05.2017/496	Rental contract.	The object of the contract is the transmission by the Locator, in return for a monthly payment called rent, of the right of use by the Lessee of the Cernavoda Equipment Warehouse.	70.028,40 EUR	Debt SNN to CN ACN on 31.05.2017 (RON): 101.810,41	N/A	The payment is made in RON at the BNR exchange rate from the date of the invoice issue, in advance up to 1 of the month based on the invoice issued up to 5 of the previous month.	N/A
					For the period 24.04.2017 - 31.12.2018 rent / month (EUR): 3.501,42	Receivables with ACN CN on 31.05.2017 (RON): 574,41			

The above translation of the half year report of the Board of Directors of S.N. Nuclearelectrica S.A. is provided as a free translation from Romanian, which is the official and binding version.

SN Nuclearelectrica SA

Half year report of the Board of Directors for the 1st semester 2017

(All amounts are stated in RON, unless otherwise indicated)

Nos.	Parties to the legal act	End date and act number	The nature of the legal act	Object description	Total value (RON or other currencies)	Mutual receivables / liabilities	Guarantees established	Terms and payment terms	Other significant elements
3.	AUTONOMOUS ADMINISTRATIONS TECHNOLOGIES FOR NUCLEAR ENERGY (RATEN) – INSTITUTE OF NUCLEAR PITESTI RESEARCH (ICN)	26.06.2017/552	Framework agreement.	Services for the treatment of solid radioactive waste from FCN Pitesti activity within FCN Pitesti material balance area, according to SNN strategy - approved by EURATOM, IAEA and CNCAN Romania - for the management of uranium-contaminated materials.	Value of the Framework agreement (RON): 395.328,00	Debt SNN to RATEN - ICN on 26.06.2017 (RON): 329.641,75	Guarantees established on 26.06.2017 (RON): 21.332,63	30 days from the Service Reception Date based on the original invoice of the promissory provider.	N/A

No transactions were concluded between SNN and individuals in the period 01.05.2017 (inclusive) - 30.06.2017 (inclusive), so it was not necessary to verify the conclusion of transactions with the directors, directors and employees of the company. Also, there are currently no tools for checking the transactions concluded with their husband, relatives or affiliates up to IV degree, including the persons provided in art. 52 par. (1) of GEO no. 109/2011, but given the lack of transactions concluded with individuals, there is no question of the existence of such transactions during the reporting period .