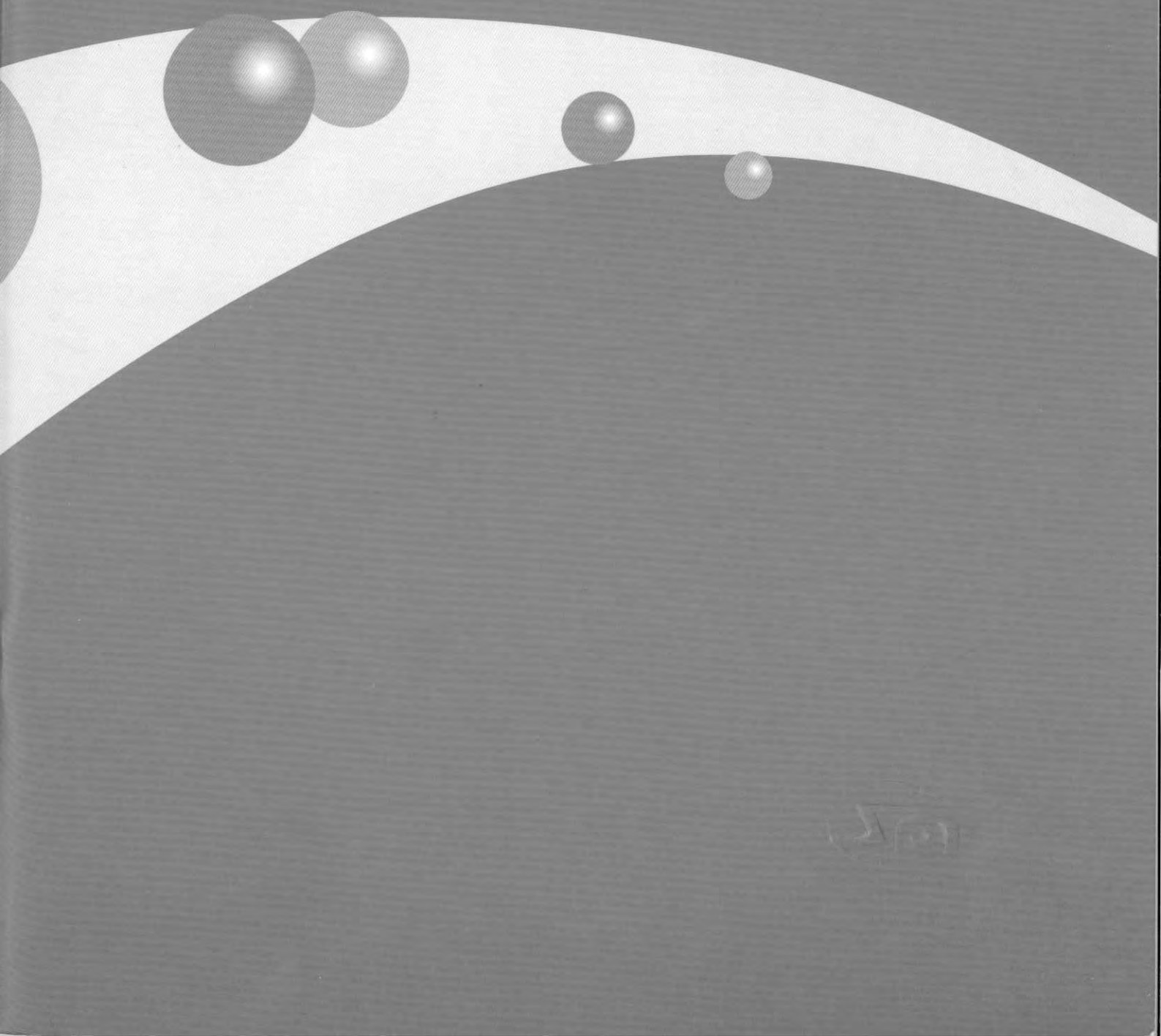


"NUCLEARELECTRICA" S.A.

ANNUAL REPORT 2002



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Message from Chairman of Board Administration

In our opinion the nuclear power industry is one of the most challenging and profitable business in the contemporary world at least for the following main reasons:

- It concentrates impressive achievements of the human mind in terms of the physics of the phenomena, and of the multiple fields of science which are involved in the design, the construction and the performant operation power plants;
- It represents an important option for covering the electricity demand one of the basics of any prosperous economic systems;
- It contributes to the a significant reduction of CO₂, NO_x and SO_x emissions providing a better environment, and delivering clean energy;
- It represents a continuous challenge for continuing the research in the field of nuclear physics, information technology and automation associated with this industry and meant to improve the human knowledge and capability to manage and to solve the complex problem of energy for the whole world of the first century of the third millennium.
- In terms of the economy of the business the nuclear power industry offer the possibility to reduce costs of the generated electricity, and to cover the base of the load curve of the power system with a reliable energy source;

For this reason the nuclear power industry represents for the Romanian long term energy strategy a selected option for energy generation in the context of a sustainable development.

The results obtained in the previous years of the operation of the Unit 1 of the Cernavoda Nuclear Power Plant supports the above statements and our belief in the future development of Unit 2 on short term and Unit 3 on the medium term.

We have also to emphasize that Cernavoda Unit 1 production was generated total by fuel supplied from our nuclear fuel plant from Pitesti.

There are a number of issues to be addressed in this respect but the Romanian expertise supported by a fruitful and well managed international cooperation will succeed to find the best solution, both for the benefit of the Romanian economy and the Romanian people as well as for the future of the regional Electricity Market which will be created in the South East Europe in the years to follow.



Gheorghe Indre
Director General
Ministry of Economy and Trade
Chairman of the SNN SA's Managing Board

A handwritten signature in black ink, appearing to read 'Gheorghe Indre'.

Message from Director General

For "NUCLEARELECTRICA" Company (SNN SA), the year 2002 brought many achievements:

- The electricity amount supplied by the Cernavoda Unit 1 NPP into the national grid was 5,106,225 MWh, with an average capacity factor of 89.37%. These are the highest values ever attained along six years of commercial operation. The exceeding output of 56,225 MWh (3.2%), as against the amount provided by the commercial contract 4,950,000 MWh, represents the Cernavoda Unit 1 NPP's production for 10 days, operating at nominal parameters, or the production for one year of a power group with a capacity of 25.5 MW, with a load factor of 70%; the average gross capacity factor placed Unit 1 among the first 12 of 27 CANDU type reactors around the world;
- The nuclear fuel plant in Pitesti manufactured a number of 5,779 nuclear fuel bundles. During this year, all Romanian made bundles in use in the nuclear reactor had an excellent behavior, no one being suspected as defective;
- The company's turnover was of about 110 million EUR and the profit was estimated at two and half a million EUR.

Our attention was also focused on the activity of development – investment.

Significant progress was achieved in completing the Cernavoda Unit 2 NPP Project. After signing the Unit 2 Completion Contract in May 18, 2001, by SNN SA, AECL Canada and Ansaldo ENERGIA Italy, the following steps were made:

- concluding the commercial contracts for procuring imported equipment and materials, as a result of an international bidding organized by SNN SA in 2001;
- starting the negotiations for obtaining the EURATOM loan for financing the local portion of the Cernavoda Unit 2 completion;
- December 10, 2002: Canadian, Italian and French Credit Agreements were signed by SNN SA and Société Générale, Crédit Lyonnais and Romanian Bank for Development;
- starting a process of attracting personnel specialized in NPP commissioning and operation, including studying grants for some students in the fourth and terminal years at the Energetics and Mechanics Faculties within the University "Politehnica" of Bucharest.

We paid attention to other two objectives: Unit 3 and local community, through:

- Launching the completion of feasibility study, under the coordination of the Interministerial Group for resuming Cernavoda Unit 3 NPP; and,
- completion of some projects whose investments were co-ordinated by SNN SA within the local community social program for the town of Cernavoda, such as the inauguration of type new Cernavoda Town Hospital and of the "Saint Maria" bridge over the Danube – Black Sea Canal.

In 2003, our efforts will be focused on taking the final steps necessary to the entrance of the Completion Contract in full force.

We believe in the further development of this power source, in the benefit of peoples and environment based on a safe technology, professional personnel, strong regulatory body and extended international co-operation. A lot of arguments, sustaining our vision can be found included in this annual report.

Ioan Rotaru
Director General



Company Profile

Mission and Generic Goals

Since July 27, 1998 "NUCLEARELECTRICA" Company is registered with the Register of Commerce, Chamber of Commerce and Industry. SNN SA is reporting to the Ministry of Economy and Commerce and the state owns 100% of the shares.

SNN SA has three branches, no legal person:

- "CNE PROD", operating the Cernavoda Unit 1 NPP and auxiliary services;
- "CNE INVEST", including Units 2 to 5, actually in charge with the Unit 2 completion and U3-U5 preservation;
- "FCN -Pitești", the Nuclear Fuel Plant, qualified manufacturer for CANDU 6 type nuclear fuel that assures the Cernavoda NPP operation.

Business and Vision

"NUCLEARELECTRICA" Company is a state owned company which produces nuclear-generated electricity, heat and CANDU 6 type nuclear fuel. The company has also an active participation in the Romanian power development program.

The main function of SNN SA is to operate the Cernavoda Unit 1 NPP in a competitive, safe and environmental friendly manner so that the production be optimized and the economic life time of the plant be as long as possible.

One of the main goals is to keep the unit up to date and in a good condition and to improve the personnel's skills and know-how.

Another goal is to attract domestic and foreign capital and financing resources for the completion and commissioning of the Cernavoda Unit 2 NPP Project and to create an organization with two units in operation.

Keeping a high quality level and continuous production of our nuclear fuel also represents one of SNN SA main mission.



Company Structure

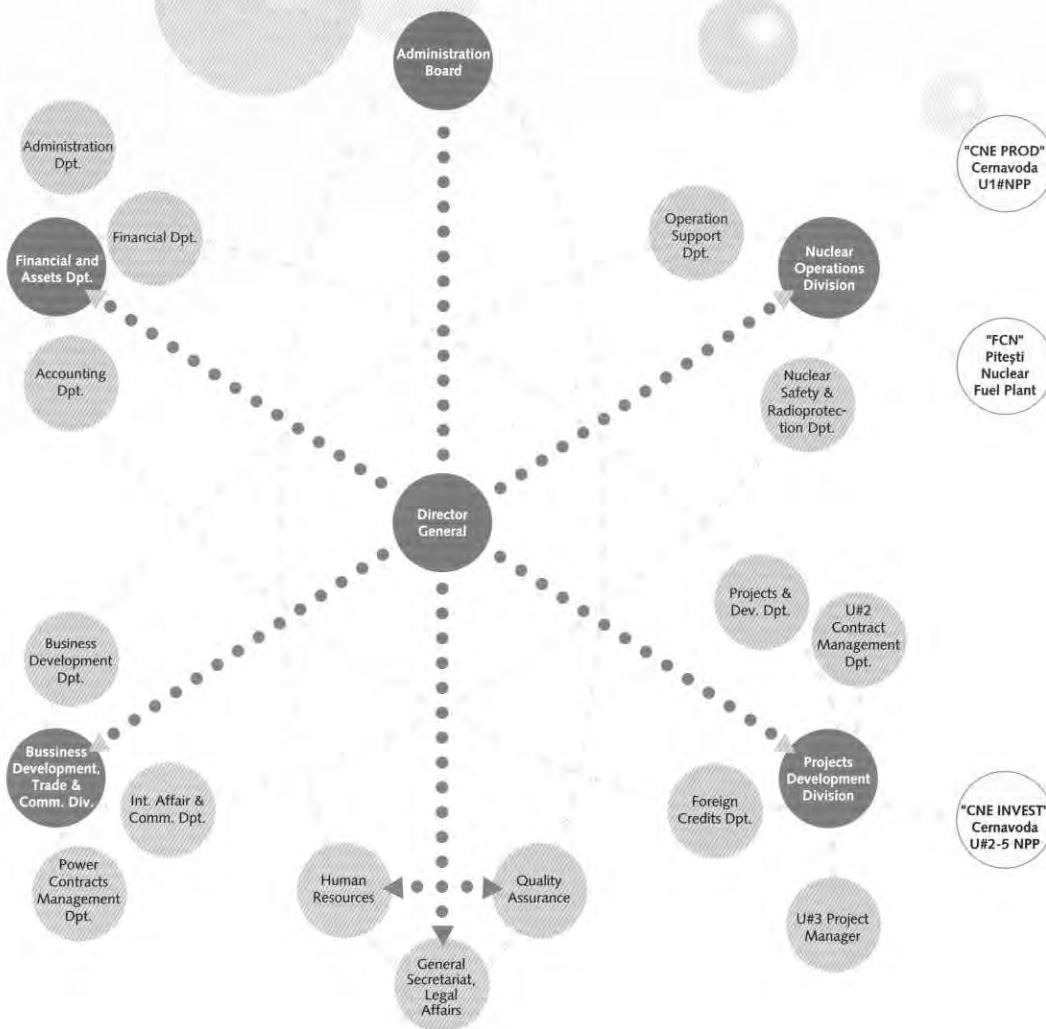
The "NUCLEARELECTRICA" Company has three levels of coordination as follows:

- General Assembly of Shareholders Representatives, the highest level of coordination that analyses and approves the strategy and policy of the company;
- Board of Administration (level 2) that has the responsibility of supervising of the current activities and of taking decision at a high competence level;
- Board of Directors (level 1) whose main objective is reviewing and analysing the current activities;

At the level of SNN SA headquarters, there are four main divisions:

- Nuclear Operations;
- Projects Development;
- Business Development, Trade & Communication;
- Financial and Assets.

Organisation Chart



Company Operations

Nuclear Power Generation

Cernavoda Unit 1 NPP

Mission:

Cernavoda nuclear power plant is dedicated to produce electrical & thermal power in a safe and efficient manner for at least 30 years, from nuclear power using CANDU technology.

Yearly, "NUCLEARELECTRICA" Company delivers to the national grid around 10-12% of the national electricity demand:

Power generation in Romania in 2002 (gross)



Values:

- Promote the safety of public and environment, personnel and equipment as a first priority in our organization
- Understand and exceed our customer's needs and expectations
- Treat people with mutual trust, respect and dignity
- Optimize the use of material, financial and human resources
- Operate as a fully integrated team
- Promote our business as a model in a Romanian market economy

Generic goals:

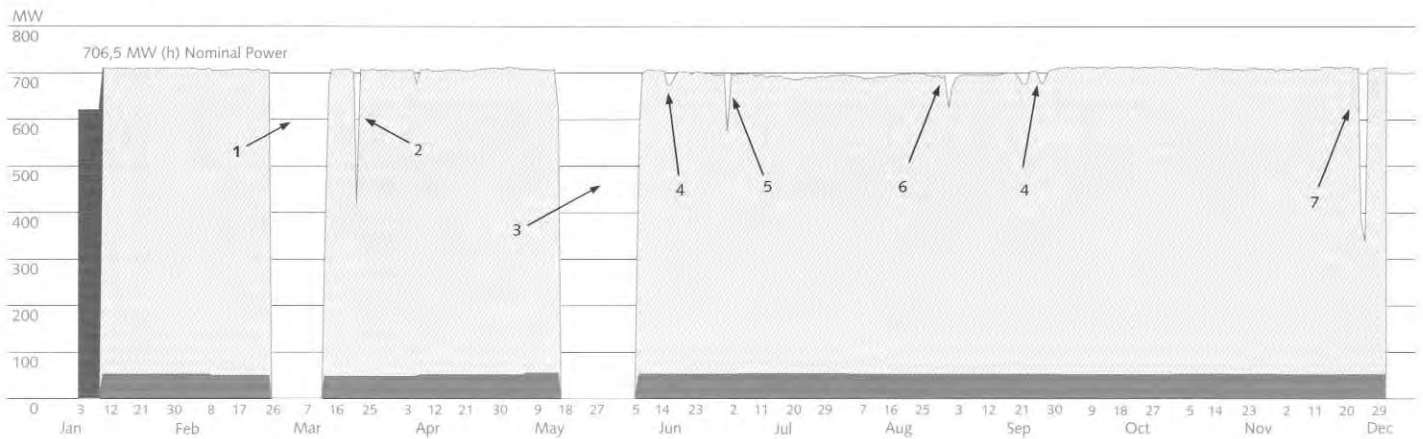
- To maintain the plant at full power within the limits required by licensing documents
- To maintain nuclear safety, industrial safety & personnel health in the plant at high standards
- To maintain configuration control of the plant at high standards
- To maintain material condition of the plant at high standards
- To maintain & refine the existing business process in an efficient manner
- To learn from operation experience
- To continuously develop and motivate human resources
- To maintain good contacts in the industry and a good image of the plant

Prospects on the future:

- To become a reliable and clean supplier of electricity worldwide recognized
- To continue as a clean (polluting), efficient and competitif producer
- To remove the Operation and Maintenance of support services
- To meet the European Union requirements and conditions for nuclear industry
- To provide services for Unit 2, mainly for:
 - training
 - commissioning
 - licensing process
- To take over Unit 2 and create an organization with 2 units in operation

Cernavoda Unit 1 NPP

Operation in 2002



2002, January 1st - December 31st

Legend

- 1 - Shut down for repairing a longitudinal crack in RCW (Feb.18th - Mar. 5th)
- 2 - Turbine trip on high vibration caused by condenser very low pressure; problems with level controllers on LP Heaters (Mar.14th - 5 hours)
- 3 - Annual Planned outage (May 11th - Jun.1st)
- 4 - Load reduction for cleaning condenser water boxes (Jun.10 - 11th; Sept. 18 - 19th; Sept. 24 - 25th)
- 5 - Turbine trip on loss of generator excitation, due to an error during correction maintenance on excitation panel (Jun. 27th - 2 hours)
- 6 - Manual setback to 60%FP after condensate extraction pump spuriously tripped on high thrust bearing temperature (Aug. 29th - 5 hours)
- 7 - Trip of the generator main circuit breaker following a false turbine speed error signal (Dec. 24th - 15 hours)

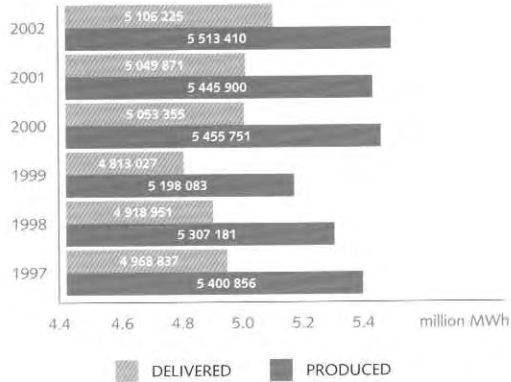
Commercial Operation in 2002

Month	Generated Power	Net Power to Grid	Gros Capacity Factor
	MWh	MWh	%
January	529,707	491,162	100.99
February	290,202	269,142	61.63
March	441,617	409,688	84.63
April	510,986	473,913	100.99
May	167,610	155,292	31.97
June	481,833	445,071	94.85
July	516,753	477,155	98.40
August	515,396	476,433	98.21
September	502,815	465,083	99.05
October	532,046	493,797	101.41
November	511,868	474,711	101.14
December	512,577	474,777	97.70
Total	5,513,410	5,106,225	89.37

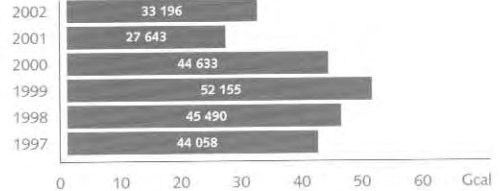
Cernavoda Unit 1 NPP

Performances 1997-2002

Annual Power Production

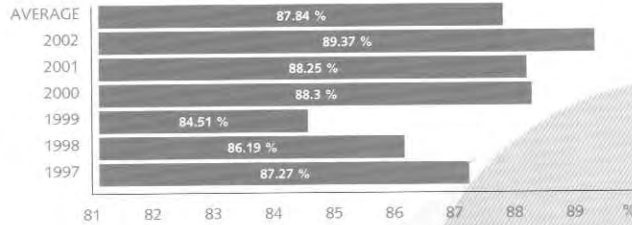


District Heating

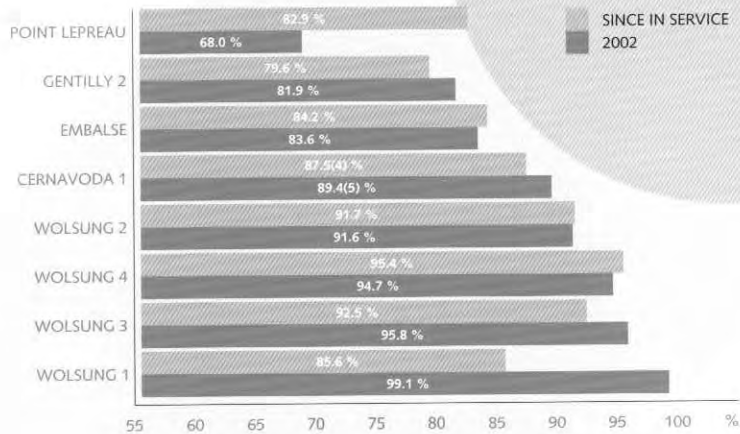


During 1997 - 2002 about 247 175 Gcal were supplied

Gross Capacity Factor



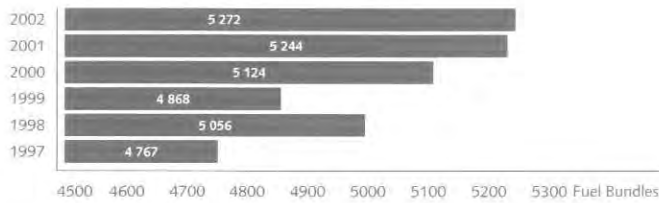
Comparison of CANDU GCF



At the end of 2002, the median GCF of 27 PHWR units in service was 88.03 %. Consequently, Cernavoda Unit 1 NPP was placed in position #12.

Cernavoda Unit 1 NPP

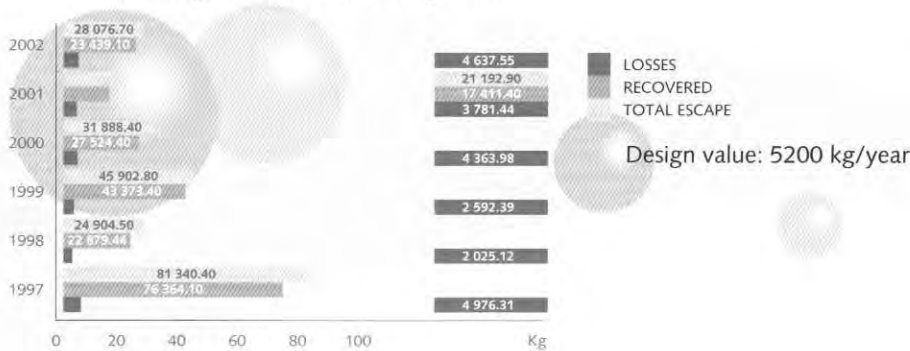
Fuel Consumption



Year	Tons "U"
2002	99.5
2001	99.2
2000	96.9
1999	92.0
1998	95.6
1997	90.4
1996	0.30
Total	573.9

Total Fuel Bundles Consumption: 30328

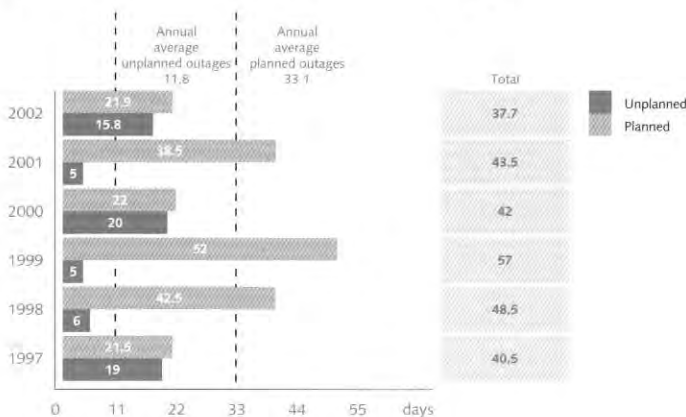
Heavy Water Consumption



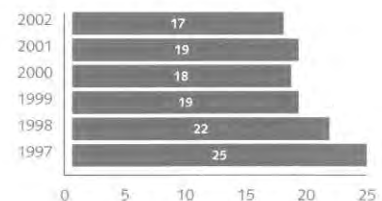
Outages

So far, the annual outages included complex works such as: the first in-service inspection of the reactor fuel channel, opening and inspection of cylinders of the turbine and electric generator, inspection of steam generators, replacement of some parts with new ones of higher reliability, safety improving works.

Annual planned /unplanned outages

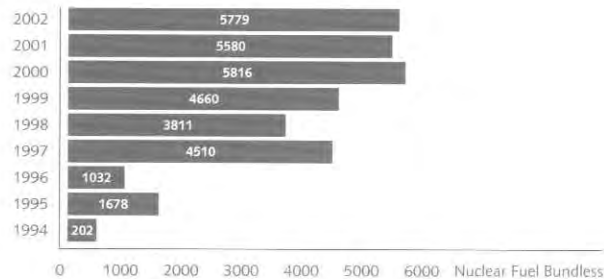


Reportable events to regulatory authority

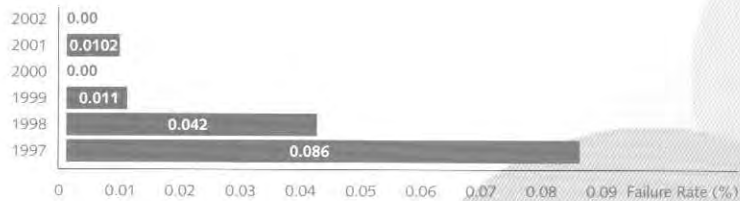


Nuclear Fuel Production

The Nuclear Fuel Plant Pitești is qualified by AECL as a CANDU 6 fuel manufacturer. The capacity of the plant is 90 tons per year and 23 bundles per day respectively, thus providing the fuel necessary for the operation of Cernavoda Unit 1 NPP. In 2002, FCN Pitești manufactured 5,779 nuclear fuel bundles, so the total number of fuel bundles produced between 1994-2002 risen to 33,068, containing 620 tons of natural uranium.



The high quality and performance of the domestic nuclear fuel have been proved during the power reactor operation. At an average burnup factor of 170 MWh/kgU, in 2002 the failure rate was 0.00%, like in 2000.

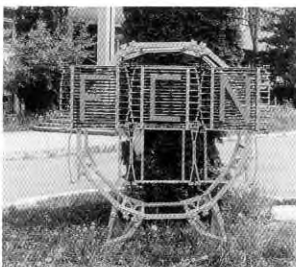


Following the co-operation with the national industry, various equipment was manufactured, such as: oven for graphite coated sheaths thermal treatment in vacuum; sheaths cleaning and chamfering automated machine, Beryllium deposition through in vacuum evaporation equipment.

Engineering Development

The technical and engineering works for manufacturing the nuclear fuel bundles containing about 19.3 KgU/bundles i.e. with about 3% more than the actual uranium content per bundle.

All the qualification phases specific for nuclear fuel fabrication were fulfilled. A batch of 19 demonstrative bundles was manufactured. Starting with the 4th quarter – 2003, this type of bundles would be currently produced.



Production Capacity Development

The program designed to increasing the production capacity is aiming at doubling it. Accordingly, the first load of the Cernavoda Unit 2 will be provided by FCN-Pitesti. Further, the annual production will be designed in accordance with the quantity required by the two CANDU units under operation.

Among the achievements of the year 2002, we mention the following:

- completion of basic services – cooling water, gases, electricity supply, demineralized water;
- procurement of long cycle manufacturing equipment, as continuous furnace for synthesizing hydrogen into the atmosphere;
- commissioning of new equipment for the manufacturing lines – rolling compactor with granulator included, chamfering machine, burring machine, centreless grinding machine with CNC, equipment for in vacuum beryllium deposition by evaporation, fine punching press, autoclave for testing the zircaloy allies against corrosion.

Personnel and Environment Safety

Up-to-date instrumentation and control devices specific for the manufacturing of nuclear fuel were acquired, among which we mention the following:

- monitors for hands / feet contamination;
- TLD system equipment for personnel exposure control;
- gamma spectrometry and dozimetry system with automatic radionuclid identification.

A cooling-filtration column at the DUA drying furnace was designed and built for the purpose of reducing the radioactive emissions into the atmosphere. An ecological facility for wastes incineration by pyrolitic cremation was put into operation. This facility will be made complete by a special filtration system which would allow low radioactive fuel wastes (generated within the manufacturing process) burn.



Project Development Activities

In 2002, the investment activities focused mainly on achieving progress on works at Cernavoda NPP Unit 2 and the Intermediate Dry Spent Fuel Storage Facility.

In addition, support was given to local community development and independent tools and equipment were procured in order to double the manufacturing capacity of the nuclear fuel plant at Pitesti.

The investment cost for 2002 amounted around 3,400 billion ROL available from funds allocated from the state budget, special development fund, own resources, VAT recovery and other financing sources involved in the project.

Cernavoda Unit 2 NPP Project

In 2002, the commercial contracts resulting from the international tendering process and concluded with suppliers like NEXANS and ALSTOM from France for procurement of specific materials and equipment as well as the contract with General Electric from USA for turbine-generator unit for supply of parts and modifications to turbine generator, were extended.

In the action of completing Cernavoda NPP Unit 2, in 2002 two other important actions were implemented:

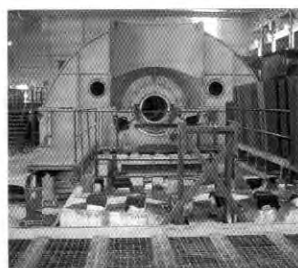
- the Romanian Government authorized SNN to raise funds from international financial markets for the project completion;
- in December 2002 loan agreements were concluded with a Consortium of banks including Société Générale, Credit Lyonnaise, BRD – SG. The loans are fully guaranteed by the Romanian Government.

The works at Cernavoda Unit 2 project were performed mainly on two areas:

- engineering support to ongoing construction and manufacturing activities;
- construction activities, such as civil works, mechanical installation of piping and equipment and electric installation.

In 2002 the following works were performed:

- installation of feeders' insulation cabinets;
- closing of the "B" opening of the reactor building;
- pre-stressing of the concrete structure of the reactor building;
- pressure test of the fuel transfer structure;
- execution of the metallic structure for EPS – SCR.



Cernavoda Unit 3 Project

Providing financing resources and support necessary to secure the continuity and progress of construction works with Romanian authorized suppliers was an important objective for the year 2002. Procurement of heavy water from RAAN-ROMAG continued as well.

Decision no. 437/2002 of the Romanian Government gave approval to the establishment of the Inter-Ministerial Commission for the development and completion of Cernavoda Unit 3 Nuclear Power Plant. The responsibilities of the Commission include the worldwide promotion of the Unit 3 completion and the selection of the optimal financing scheme and implementation model.

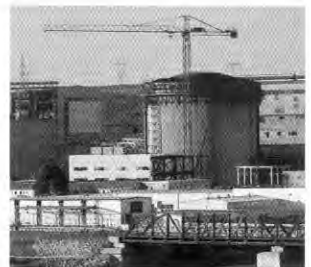
At the same time, it was decided to organize a joint "team" made up of institutes and national companies in the field in order to: update general site studies, organize status verifications of the existing structures and their preservation until works resumption, develop studies relating to Romania's energy balance and stability of the National Power System, in the event of Cernavoda NPP Unit 3 and Unit 4 commissioning.

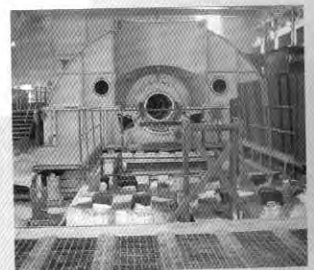
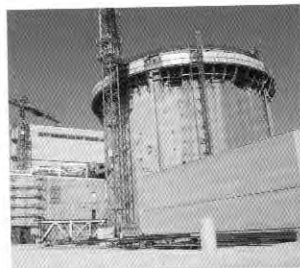
For the completion of Cernavoda NPP Unit 3, the Government intends to attract more investors and set up a joint venture instead of approaching external credits with Romanian government guarantees. So far, SNN SA, upon the Inter-Ministerial Commission request, together with companies from other three countries conducted a feasibility study for the completion and commissioning of Cernavoda NPP Unit 3. The preliminary results from the first phase of the study demonstrate the economic competitiveness of Unit 3, benefiting from the existing infrastructure and Unit 2 mobilization and assuring continuation of high tech and high paying jobs in the industries related to nuclear energy. Unit 3 feasibility study will continue with phase 2 whose main target is to review and confirm the phase 1 results and to draft the basis for contract negotiations and tendering activities leading to project implementation.

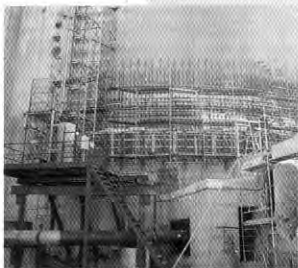
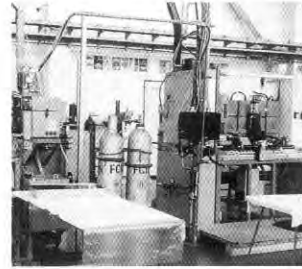
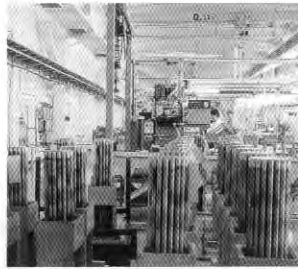
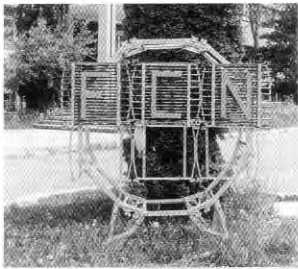
Spent Fuel Storage Facility

The Intermediate Nuclear Spent Fuel Storage Facility is based on the MACSTOR system, designed by AECL Canada. The facility assures the storage of 300,000 spent fuel bundles coming from the Units 1&2, for a period of 50 years.

In 2002, the first module was built and the foundation of the second one was poured.







Local Community Support

The Local Community Support Act for Improving the living conditions in the town of Cernavoda started in 1991, including a number of 21 objectives related to the project of the Cernavoda NPP: urbanistic, social, cultural buildings for the town, as well as dwellings for the operation and executive staff of the nuclear power plant.

By the end of the year 2002, 6 objectives were completed and other 6 were under different stages of completion.

In 2002, two important objectives were completed and inaugurated:

- On April 15, 2002, Mr. Ion Iliescu President of Romania cutted the ribbon of the Cernavoda Town Hospital. The 100 bed hospital will provide medical assistance for the NPP's personnel.
- On August 9, 2002 - The Prime Minister, Mr. Adrian Nastase - inaugurated the "Saint Maria" bridge over the Danube - Black Sea Canal. The new bridge represents the link between the town and the Cernavoda railway - station, as well as a direct access way to the Fetesti - Cernavoda motorway. It is also designed as a supplementary way for the evacuation of the population in this area, in case of a nuclear accident.

OTHER SOCIAL & ECONOMIC EFFECTS

- Provides over 1300 jobs
- Provides activities for 15 contractor companies (12 from Cernavoda) having over 350 jobs
- Provides accommodation for over 500 plant employees
- Provides heating for more than 60% of Cernavoda habitants at the lowest price in the country
- An important financial contribution to the community and to the state budgets in 2002: 284 000 USD, respectively 9 440 000 USD



Nuclear Safety and Radioprotection

The Cernavoda NPP has been operating safely throughout a period of six years. The events reported in 2002 according to INES scale were rated 17 (2 out of scale, 14 level 0 and 1 level 1). During the six years of operations, only 1 event occurred in 1999 rated 2 on the INES scale.

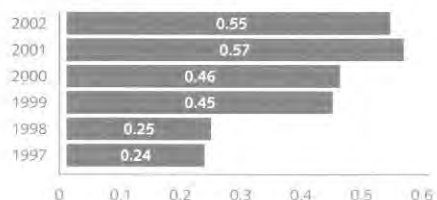
In 2002, the average dose received by workers was of 1.12 mSv, and the maximum dose was of 9.23 mSv. The legal limit for exposed workers is 20 mSv/yr.

The evolution of the annual average dose value for exposed workers (mSv/yr) for the last six year is as follows:

1996	1997	1998	1999	2000	2001	2002
0.40	3.81	0.76	1.29	1.25	1.26	1.12

SNN SA has permanently implemented a safety policy. Its major objective is to guarantee safety and healthy workplaces for each employee and contractor. Consequently, no professional illness has occurred during these years.

Collective radiation exposure (man x sv):



In 2002 Cernavoda Unit 1 NPP was placed on the 5 th position out of 27 PHWR units in service.

In 2002 there were 6 individual work-related accidents at Cernavoda NPP and 1 at Pitești Fuel Factory. No professional illness has been reported.

THE NUMBER OF WORK - RELATED ACCIDENTS WITHIN SNN SA BRANCHES

1997	1998	1999	2000	2001	2002
5	1	4	2	10	7

Emergency Plan

So far, no CANDU nuclear power plants have been confronted with events or accidents menacing people health and safety. Despite the fact that these risks are minimised, as the plant is equipped with emergency systems designed to prevent and cope with such events, additional measures are also taken for people and environment protection. Among them we mention the emergency preparedness, required by the national law as a prerequisite for licensing the operation of nuclear power plant. Within the Cernavoda NPP, the emergency preparedness is verified and improved through drills performed every three months, annually, or through general drills which simulate various conditions of a nuclear accident. Important information are distributed free of charge to the inhabitants of the areas neighbouring the nuclear plant.

Starting with 1995, local, national and even international drills were performed at the Cernavoda NPP: "AXIOPOLIS'95", "SAFE POWER'96", "PHOENIX'97", "DOBROGEA'98", "DUNAREA '99", "MILLENIUM'00", "AXIOPOLIS'01" and "EURO'02". The drills allowed testing the emergency plans, improving communication and activities involved in radiological emergency.



Environment

Over the years, the operation has strictly met the environment requirements. The environmental monitoring results have proved the conformity with the company's environmental policy and the environmental authorization.

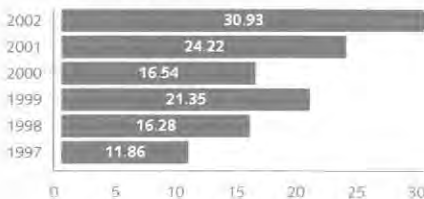
RADIOLOGICAL ENVIRONMENTAL IMPACT

Radioactive discharges into water and air were well below the authorized levels. The annual effective dose received by a member of the public pertaining to a critical group (the most exposed) from radioactive emissions into the environment was of 0.0083 mSv in 2002 while the annual average dose received by a member of the public from the natural background is 2.4 mSv.

More detailed information on the radiological impact is provided by the SNN SA report presenting the results of the radioactive environmental monitoring program which is implemented by the Environmental Monitoring Laboratory (located at 2 km from NPP site). In 2002, the volume of low and intermediate level solid waste was 30.93 m³ (except spent resins). The total volume, since in service (December 2, 1996) is of 121.18 m³. They are stored in a special concrete storage facility located within the fence of the plant.

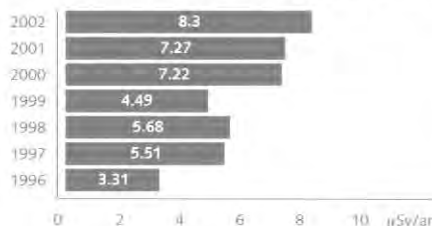
The annual quantity of spent fuel was of about 99 tU. Since the commissioning, the entire cumulative quantity of spent fuel received was 573 tU. The spent fuel is stored for at least six years in the spent fuel bay of the Unit 1 NPP.

Volume of radioactive waste (m³)



Total in 6 years of operation: 121,18 m³
Average annual design value: 30 m³

Impact on people & environment Cummulated releases of radioactive effluents (µsv)



Legal dose for population:
1000 µSv
In 2002, the average annual dose was only 0,83 % from the legal dose.

NON - RADIOLOGICAL ENVIRONMENTAL IMPACT

Due to its technology the Cernavoda Unit 1 NPP prevents the release into the atmosphere of about 4 million tonnes of CO₂ annually.

During the first five years of operation, the quality of air, soil or water in the surrounding area was not influenced by the Unit 1 NPP operation.

Non-radioactive discharges into water (Danube River and Danube Black Sea Canal) were below the authorized limits. The monitoring of specific pollutants, as hydrazine, morpholine and cyclohexylamine has indicated that the concentration of these chemicals is below detectable limits.

A non-radioactive chemical waste management program has been implemented for Unit 1NPP since start-up. It is continuously updated according to the Romanian legislation regarding waste management. The program includes collection, temporary storage and disposal of chemical wastes. CNE-PROD policy in this area takes care of on-site adequate management of wastes in order to prevent an impact on the environment.



Quality Assurance Program

The "NUCLEARLECTRICA" Company has implemented a General Quality Assurance Program described in the Quality Assurance Manual, in compliance with the requirements of Law 1111/1996 and as per the related National Standards for Quality Assurance. This program is meant to assure all the completion and operation phases of nuclear projects, the appropriate quality level for meeting the nuclear safety criteria, public and environmental protection requirements, as well as the requirements of nuclear facilities operation under economic efficiency conditions. The General Quality Assurance Program represents the concept of managing the SNN SA's quality assurance system. SNN SA' subsidiaries have their own Quality Assurance Program, documented as per specific NRAC, answering to the above mentioned Manual.

The Quality Assurance Program deals with SNN SA's policy concerning the management of nuclear projects quality and the ways this policy is fulfilled, defining the activity field, the role and responsibilities as well as the organization of the Company. So, all the activities of implementing the nuclear development, concept, completion, commissioning and operation of nuclear projects managed by the company are defined and actually achieved, in a planned and systematic manner, in compliance with laws, requirements and standards applied to these activities, considering own experience as well as good practice proved worldwide.

The "NUCLEARLECTRICA" Company based on the documents of Quality Assurance Program, was authorized by the National Commission for the Nuclear Activities Control (CNCAN) and, as a legal person holds all the authorizations issued by CNCAN for specific activities performed by its branches.



Human Resources and Personnel Training

The efficiency of "NUCLEARLELECTRICA" Company activity increased starting with 1999 by implementing a restructuring program.

So, the Company's total number of executive staff and employees, including the three branches, decreased from 2,767 in 1999 to 2419 in 2002. The last figure includes the new personnel hired for the Unit 2 Project completion process.

Our company is permanently paying attention to improving the skills and know-how for assuring the employment stability of the highly specialised personnel.

The Cernavoda Training Centre full scope simulator has been provided a permanent training for the operators and personnel working in different sectors of the plant.

In preparation of Unit 2 commissioning, about 250 persons have been hired and at present they are being trained at the Cernavoda Training Center and Unit 1 facilities.

A new recruiting system of the future technical graduates has been implemented being awarded a number of 30 scholarships to students in their last education year.

The Nuclear Fuel Plant personnel benefited from training provided by the supplier of the equipments purchased for the modernization of the technological process.



International Cooperation

"NUCLEARLELECTRICA" Company continues to be an active member of the international specialized organizations and entities, such WANO - Atlanta Center (World Association of Nuclear Operators) and COG (CANDU Owners Group) benefiting from a continuous exchange of experience in the field. Starting with 2002, SNN SA is a member of the World Nuclear Association (WNA) and Electric Power Research Institute (EPRI). The company also developed an effective partnership within IAEA European regional co-operation programs.

The former international agreements concluded at governmental level, in which SNN SA is involved, with Japan (JEPIC), Argentina (CONEA), Canada (AECL) in the field of nuclear commissioning, operation and maintenance, nuclear fuel manufacturing and personnel training are efficiently performed.

Besides its traditional partners, such as AECL Canada and Ansaldo Italy, SNN SA has extended its co-operation with other partners and companies from Europe (Alstom and Nexans-France), United States (General Electric) etc. In developing nuclear safety studies, SNN SA has extended its cooperation area with new partners: Korean Hydro and Nuclear Power (KHNP) and Korean Engineering Company (KOPEC).

SNN SA'specialists were actively involved in the works of European professional organisations, such as EURELECTRIC and FORATOM. In 2002, the debates within working groups of these organisations were focused on the problems nuclear industry may encounter regarding European Commission initiatives known as the "nuclear package". This "package" includes two proposal of Directives on setting out basic obligations and general principles on the safety of nuclear installations and on the management of spent fuel and radioactive waste respectively.

In the process of enlargement of European Union, more European organizations focused their attention on the developing of the Romanian nuclear power sector Important missions coming from European Parliament, European Commission, European Investment Bank paid visits to the Romanian nuclear industry and to the Cernavoda NPP site. They concluded that the Romanian nuclear power based on the CANDU technology does not pose any problems for the country' s accession process.

It was also developed an exchange information system between the local communities. The Secretary General of GMF (Group of European Municipalities with Nuclear Facilities), Mr. Mariano Vila d'Abadad Serra, visited Cernavoda on April 2002, and met the local authorities, representatives of civil society, SNN SA and Units 1 and 2 of Cernavoda NPP representatives.

Foreign Technical Missions

2002	February	WANO conservative decision making seminar
2002	April	Insurance experts audit
2002	July	EPRI assessment of Cernavoda maintenance optimization project
2002	August	COG supervisory training
2002	October	WANO technical support mission
2002	October	IAEA management of change workshop



Public Relations

Honesty, transparency, promptness, trust and respect are the main characteristics of the SNN SA's public relations policy.

A considerable amount of printed materials such as brochures, leaflets, information materials have been elaborated and distributed amongst public, policy makers, opinion leaders, media and the non-governmental organizations.

In addition, the Company's specific brochure was published in the Romanian and English versions. The Company's newsletter "Semnal N" is published six times per year, and an English version of the Romanian news is provided.

Cernavoda NPP-Unit 1 published during 2002: "Kit Information" (english version), "Outage brochure 2002" (romanian version) and monthly "INFOPLUS" bulletins.

In 2002 within the "Open doors" program initiated by the plant, 1283 persons visited the Cernavoda Unit 1 NPP and also about 250 persons visited the Cernavoda Unit 2 NPP.

SNN SA paid great attention to the events dedicated to nuclear power promotion.

So, SNN SA was one of the main leaders in organizing the "Romanian Nuclear Energetic Days", including exhibitions and contests of drawings made by children up to 17 years old.

Information about events occurred in SNN SA and its branches are provided to the media through press releases, press conferences, interviews and on our company internet website www.nuclearelectrica.ro.

Special information seminars and workshops were organized for the representatives of mass-media. They were held mainly within the Training Center at the Cernavoda NPP for one day: basic words on nuclear technology, a technical presentation of the CANDU System, followed by a plant tour.

SNN SA was also presented in more events through its info materials, brochures and so on. The students coming from the nuclear power department of The Faculty of Energetics participated in "The Days of Teenagers", organised in Bucharest, between May 11-12, 2002. They presented and distributed materials issued by SNN SA. Their stand was awarded with the first prize.

SNN SA was also presented within the Romanian exhibition stand organized on the occasion of the 46 th General Conference of the International Atomic Energy Agency, which took place in Vienna in September 2002.



Financial Statements

Balance sheet

K ROL

Caption	31.12.2001	31.12.2002
Assets		
Non-current Assets		
Intangible Assets		
Start up expenses		
Development costs	12,406,568	5,386,301
Concessions and other similar items	13,683,455	29,290,246
Goodwill		
Advances for intangible assets	1,091,478	-
Total Intangible Assets	27,181,501	34,676,547
Tangible Fixed Assets		
Buildings and land	10,052,189,844	35,713,969,695
Technological equipment	218,346,855	315,708,801
Other tangible fixed assets	913,605,736	901,171,352
Construction in progress	3,568,398,160	6,913,536,975
Total Tangible Fixed Assets	14,752,540,595	43,844,386,823
Non-current Financial Assets		
Participation titles into group companies		
Loans receivable from group companies		
Participation titles	1,000	1,000
Loans receivable from participations		
Long term financial investments		
Other loans receivable	10,229,444	5,711,119
Own shares, non-current		
Total Non-current Financial Assets	10,230,444	5,712,119
Total Non-current Assets	14,789,952,540	43,884,775,489
Current Assets		
Stocks		
Raw materials, materials, consumable & loose tools	1,386,997,425	2,141,151,398
Work in progress	41,968,111	35,665,636
Finished goods & merchandise	1,300,334	45,603,670
Advances for stocks purchase	276,722,327	19,233,630
Total Stocks	1,706,988,197	2,241,654,334
Accounts receivable		
Trade receivables	3,935,048,383	4,069,783,036
Receivables from group companies		
Receivables from participation		
Other receivables	22,272,185	34,247,283
Debts /claims with the associates regarding capital		
Total Accounts receivable	3,957,320,568	4,104,030,319

Balance sheet

K ROL

Caption	31.12.2001	31.12.2002
Current Financial Assets		
Shares into group companies		
Own shares, current		
Other short term financial investments		
Total Current Financial Assets		
Cash	276,287,810	147,426,702
Total Current Assets	5,940,596,575	6,493,111,355
Prepayments	308,796	166,394
Total Assets	20,730,857,911	50,378,053,238
Liabilities and Equity		
Current liabilities		
Debentures, current portion		
Loans, current portion	1,592,020,850	1,564,565,104
Advances from clients, current		
Trade payables, current	466,100,386	736,424,140
Trade bills, current	6,172,672	6,830,940
Payables to group companies, current		
Payables to participations, current		
Other liabilities		
(incl oth tax & empl rel), current	2,133,316,523	3,386,922,618
Total Current liabilities	4,197,610,431	5,694,742,802
Non-current liabilities		
Debentures, non-current portion		
Loans, non-current portion	3,718,836,267	3,151,104,096
Advances from clients, non-current		
Trade payables, non-current		
Payable trade bills, non-current		
Payables to group companies, non-current		
Payables to participations, non-current		
Other liab (incl oth tax & empl rel), non-current	2,706,947,727	2,515,707,339
Total Non-current liabilities	6,425,783,994	5,666,811,435

Balance sheet

K ROL

Caption	31.12.2001	31.12.2002
Provisions for Expenses		
Provisions for pensions and other similar		52,487,413
Other provisions for expenses		
Total Provisions for Expenses		52,487,413
Accrued income		78,277
Equity		
Share capital		
Unpaid in capital	361,647,283	21,839,688
Paid in capital	6,790,503,300	12,338,111,200
Regie's net worth		
Total Share capital	7,152,150,583	12,359,950,888
Share capital premiums		
Revaluation differences	4,801,884,576	28,138,437,410
Reserves		
Legal reserves	1,372,678	1,372,635
Reserves for own shares		
Statutory reserves		
Other reserves	2,644,518,033	2,956,634,761
Total Reserves	2,645,890,711	2,958,007,396
Retained earnings/loss	4,492,462,384	4,492,462,384
Net Income	22,187,851	91,615,637
Profit appropriation	22,187,851	91,615,637
Public patrimony		
Total Equity	10,107,463,486	38,963,933,311
Total Liabilities and Equity	20,730,857,911	50,378,053,238

Profit and Loss

K ROL

Caption	31.12.2001	31.12.2002
Profit and Loss		
Net Result After Tax		
Net Result Before Tax		
Result of continuing operations		
Operating result		
Operating revenues		
Turnover		
Production sold	3,949,804,555	3,854,612,343
Sale of merchadise	4,840,702	6,081,084
Suventions related to turnover		
Total Turnover	3,954,645,257	3,860,693,427
Increase/decrease in finished		
good stock	18,279,793	(89,126,947)
Revenues from fixed		
assets production	211,768	201,852
Other operating revenues	7,646,862	5,249,175
Total Operating revenues	3,980,783,680	3,777,017,507
Operating Expenses		
Raw materials and		
consumables expenses	463,303,147	251,572,304
Other materials expenses	21,399,142	47,933,500
Utilities expenses	51,177,397	62,916,179
Marchandise expenses	4,714,098	5,836,626
Personnel expenses		
Salaries expenses	361,890,509	467,405,958
Social security expenses	140,315,728	159,068,407
Total Personnel expenses	502,206,237	626,474,365
Tangible non-current assets		
adjustment		
Tangible non-current assets		
adjustment, expenses	287,639,421	492,307,785
Tangible non-current assets		
adjustment, revenues		
Total Tangible non-current		
assets adjustment	278,639,421	492,307,785

Profit and Loss

K ROL

Caption	31.12.2001	31.12.2002
Current assets adjustment		
Current assets adjustment, expenses	-	438,859,155
Current assets adjustment, revenues		
Total Current assets adjustment	-	438,859,155
Other operating expenses		
Services rendered by third parties	1,078,374,421	588,760,587
Expenses with other taxes and assim. payments	68,737,155	82,381,608
Fines, donations and disposed assets	133,934,953	158,338,848
Total Other operating expenses	1,281,046,529	829,481,043
Provisions for expenses adjustments		
Provisions for expenses adjustments, expenses	-	52,487,413
Provisions for expenses adjustments, revenues		
Total Provisions for expenses adjustments	-	52,487,413
Total Operating Expenses	2,611,485,971	2,807,868,370
Total Operating result	1,369,297,709	969,149,137
Financial Result		
Financial Revenues		
Revenues from participations		
Revenues from other financial investements		
Interest revenues	17,392,459	6,367,137
Other financial revenues	45,764,584	20,439,403
Total Financial Revenues	63,157,043	26,806,540
Financial expenses		
Financial investments adjustment		
Financial investments adjustment, expenses		

Profit and Loss

K ROL

Caption	31.12.2001	31.12.2002
Financial investments adjustment, revenues		
Total Financial investments adjustment		
Interest expense	469,863,414	414,617,211
Other financial expenses	940,403,487	489,722,829
Total Financial Expenses	1,410,266,901	904,340,040
Total Financial Result	(1,347,109,858)	(877,533,500)
Total Result of continuing operations	22,187,851	91,615,637
Extraordinary result		
Extraordinary revenues		
Extraordinary expenses		
Total Extraordinary result		
Total Net Result Before Tax	22,187,851	91,615,637
Profit Tax		
Other tax expenses		
Total Net Result After Tax	22,187,851	91,615,637
Net Income	22,187,851	91,615,637

For National Romanian Bank exchange rates for EUR and USD are as follows:

1 EUR = 27,881 ROL valid for 31.12.2001

1 EUR = 34,919 ROL valid for 31.12.2002

1 USD = 31,597 ROL valid for 31.12.2001

1 USD = 33,500 ROL valid for 31.12.2002

"NUCLEARELECTRICA" S.A.

HEADQUARTERS

010494 - Sector 1, Bucharest
65, Polona Street
P.O. BOX 22-102
Tel: +40 21 203 82 00; Fax: +40 21 211 94 00
E-mail: office@nuclearelectrica.ro
www.nuclearelectrica.ro

Branches:

"CNE-PROD" Cernavodă

8625-Cernavodă
1, Medgidiei Str.
PO Box 42
Tel: +4 0241 238 610
Fax: +4 0241 239 679
E-mail: conducere@cne.ro

"CNE-INVEST" Cernavodă

8625-Cernavodă
3, Medgidiei Str.
PO Box 1
Tel: +4 0241 239 962
Fax: +4 0241 239 266
E-mail: marculescunv@cne-u2.ro

"Fabrica de combustibil nuclear" Pitești

0 300-Pitești
PO Box 78
Tel: +4 0248 260 160
Fax: +4 0248 262 499
E-mail: fcn @ fcn.ro

