

## HALF YEAR REPORT

**regarding the activity of S.N. Nuclearelectrica S.A. according to the provisions of art. 227 of the Law no. 297/2004 on capital market and Annex no. 31 to the CNVM Regulation no. 1/2006 on issuers and operations with securities for the 6 month period ended 30 June 2014 (the 1<sup>st</sup> semester of the 2014 financial year)**

|   |  |
|---|--|
| Report according to:  | Art. 227 of the Law no. 297/2004 on capital market and Annex no. 31 to the CNVM Regulation no. 1/2006 for the 6 month period ended on 30 June 2014 (1 <sup>st</sup> semester of the 2014 financial year)   |
| Date of report:   | August 14 <sup>th</sup> 2014   |
| Company name:   | <b>S.N. Nuclearelectrica S.A.</b>  |
| Registered office:  | Bucharest, 65 Polona Street, district 1  |
| Phone/fax number:   | +40 21 203 8200; +40 21 316 94 00  |
| Web/ Email:   | <a href="http://www.nuclearelectrica.ro">www.nuclearelectrica.ro</a> ; <a href="mailto:office@nuclearelectrica.ro">office@nuclearelectrica.ro</a>  |
| Sole Registration Code with the Trade Register Office:          | 10874881   |
| Order number in the Trade Register:                             | J40/7403/1998  |
| Subscribed and paid up share capital:                           | 2.817.827.560 lei  |
| The regulated market on which the issued securities are traded: | Bucharest Stock Exchange ( <a href="http://www.bvb.ro">www.bvb.ro</a> ), 1 <sup>st</sup> Tier  |
| The main characteristics of the issued securities:              | 281.782.756 shares with the nominal value of 10 lei/share, dematerialized, nominative, ordinary, indivisible and equally vote rights and freely negotiable on Bucharest Stock Exchange under SNN symbol starting November 11 <sup>th</sup> 2013  |
| Applicable Accounting Standards:                                | International Financial Reporting Standards (IFRS) adopted by the European Union (UE) – IFRS-UE, International Accounting Standard 34 – “Interim Financial Reporting”, condensed interim individual unaudited financial statements and condensed interim consolidated limited reviewed financial statements. |
| Currency of the report:   | Romanian Leu (RON) – all amounts are in RON, unless stated otherwise   |
| Reported period:  | <b>1<sup>st</sup> Semester 2014</b>  |



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## 1. FINANCIAL STATEMENTS

### 1.1. INDIVIDUAL FINANCIAL STATEMENTS

#### a) Statement of Financial Position

| Indicator (lei thousand)            | 30.06.2014        | 31.12.2013        |
|-------------------------------------|-------------------|-------------------|
| Non-current assets                  | 8.141.880         | 8.279.553         |
| Current assets                      | 3.067.556         | 3.420.660         |
| <b>Total Assets</b>                 | <b>11.209.437</b> | <b>11.700.214</b> |
| Equity                              | 7.419.831         | 7.698.437         |
| Total liabilities, out of which     | 3.789.606         | 4.001.776         |
| Non-current liabilities             | 1.950.300         | 2.096.401         |
| Current liabilities                 | 1.839.306         | 1.905.375         |
| <b>Total Equity and Liabilities</b> | <b>11.209.437</b> | <b>11.700.214</b> |

#### b) Income Statement and Statement of Comprehensive Income period

| Indicator (lei thousand)                          | 6 month period ended<br>30 June 2014 | 6 month period<br>ended 30 June 2013 |
|---|--------------------------------------|--------------------------------------|
| Operating revenues                                | 853.940                              | 983.791                              |
| Operating expenses                                | (826.697)                            | (755.735)                            |
| <b>Operating profit</b>                           | <b>27.243</b>                        | <b>228.057</b>                       |
| Finance income                                    | 78.805                               | 132.241                              |
| Finance costs                                     | (36.092)                             | (116.940)                            |
| <b>Net finance income</b>                         | <b>42.713</b>                        | <b>15.301</b>                        |
| <b>Profit before income tax</b>                   | <b>69.956</b>                        | <b>243.358</b>                       |
| Net income tax expenses                           | (9.531)                              | (47.236)                             |
| <b>Profit for the period</b>                      | <b>60.425</b>                        | <b>196.122</b>                       |
| <b>Other elements of the comprehensive income</b> | -                                    | -                                    |
| <b>Total comprehensive income</b>                 | <b>60.425</b>                        | <b>196.122</b>                       |
| <b>Basic earnings per share (lei/share)</b>       | <b>0,21</b>                          | <b>0,77</b>                          |
| <b>Diluted earnings per share (lei/share)</b>     | <b>0,20</b>                          | <b>0,72</b>                          |

#### c) Cash flow Statement

| Indicator (lei thousand)                                 | 6 month period ended<br>30 June 2014 | 6 month period<br>ended 30 June - 2013 |
|--|--------------------------------------|--|
| Profit before income tax                                 | 69.956                               | 243.358                                |
| Adjustments  | 178.034                              | 145.380                                |
| Cash generated from operating activities                 | 247.990                              | 388.738                                |
| Net cash from operating activities                       | 200.376                              | 331.919                                |
| Net cash from investing activities                       | 554.912                              | 77.267                                 |
| Net cash flow used in financing activities               | (422.226)                            | (139.274)                              |
| Net increase in cash and cash equivalents                | 333.062                              | 269.911                                |
| Cash and cash equivalents at the beginning of the period | 739.280                              | 694.877                                |
| Cash and cash equivalents at the end of the period       | 1.072.342                            | 964.788                                |

## 1.2. CONSOLIDATED FINANCIAL STATEMENTS

### a) Statement of Financial Position

| Indicator (lei thousand)            | 30.06.2014        | 31.12.2013        |
|-------------------------------------|-------------------|-------------------|
| Non-current assets                  | 8.136.942         | 8.290.528         |
| Current assets                      | 3.076.832         | 3.432.943         |
| <b>Total Assets</b>                 | <b>11.213.775</b> | <b>11.723.472</b> |
| Equity                              | 7.423.802         | 7.698.908         |
| Non-controlling interest            | -                 | 22.475            |
| Total liabilities, out of which:    | 3.789.973         | 4.002.089         |
| Non-current liabilities             | 1.950.300         | 2.096.401         |
| Current liabilities                 | 1.839.673         | 1.905.688         |
| <b>Total Equity and Liabilities</b> | <b>11.213.775</b> | <b>11.723.472</b> |

### b) Income Statement and Statement of Comprehensive Income

| Indicator (lei thousand)                          | 6 month period ended<br>30 June 2014 | 6 month period<br>ended 30 June 2013 |
|---|--------------------------------------|--------------------------------------|
| Operating revenues                                | 853.947                              | 985.504                              |
| Operating expenses                                | (827.384)                            | (758.252)                            |
| <b>Operating profit</b>                           | <b>26.563</b>                        | <b>227.252</b>                       |
| Finance income                                    | 78.518                               | 132.588                              |
| Finance costs                                     | (36.143)                             | (117.094)                            |
| <b>Net finance income</b>                         | <b>42.375</b>                        | <b>15.494</b>                        |
| <b>Profit before income tax</b>                   | <b>68.938</b>                        | <b>242.746</b>                       |
| Net income tax expenses                           | (9.540)                              | (42.553)                             |
| <b>Profit for the period</b>                      | <b>59.399</b>                        | <b>200.194</b>                       |
| <b>Other elements of the comprehensive income</b> | -                                    | -                                    |
| <b>Total comprehensive income</b>                 | <b>59.399</b>                        | <b>200.194</b>                       |
| <b>Basic earnings per share (lei/share)</b>       | <b>0,21</b>                          | <b>0,79</b>                          |
| <b>Diluted earnings per share (lei/share)</b>     | <b>0,20</b>                          | <b>0,73</b>                          |

### c) Cash flow Statement

| Indicator (lei thousand)                                 | 6 month period ended<br>30 June 2014 | 6 month period<br>ended 30 June 2013 |
|--|--------------------------------------|--------------------------------------|
| Profit before income tax                                 | 68.938                               | 242.746                              |
| Adjustments  | 178.037                              | 147.653                              |
| Cash generated from operating activities                 | 247.362                              | 390.400                              |
| Net cash from operating activities                       | 199.872                              | 333.804                              |
| Net cash from investing activities                       | 570.890                              | 75.128                               |
| Net cash flow used in financing activities               | (440.174)                            | (139.274)                            |
| Net increase in cash and cash equivalents                | 330.588                              | 269.659                              |
| Cash and cash equivalents at the beginning of the period | 751.248                              | 708.779                              |
| Cash and cash equivalents at the end of the period       | 1.081.836                            | 978.438                              |

## 2. THE ANALYSIS OF THE COMPANY'S ACTIVITY

### 2.1. Factors that may influence the liquidity of the company

Among the factors that may influence the liquidity of the company in the future, are the following:

- Energy price on the competitive market;
- Prices on the regulated market;
- Price of the main raw materials used by the company in its current activity;
- Fluctuations of the interest rate and exchange rate;
- Volume of maintenance and development investments, including participation in the Units 3 and 4 Project, participation in the Tarnita-Lapustesti and Romania-Turkey under water cable Projects;
- Level of taxation, including the introduction of new taxes.

There is a great number of internal and external factors that may influence the liquidity of the company, however on both short and medium term, the company has a good liquidity.

### 2.2. Capital expenses, current or anticipated

The investment programme for the last two years is as follows:

| Investments (lei thousand)  | 2014           | 2013           |
|---|----------------|----------------|
| <b>Investment programme, out of which:</b>                                | <b>341.580</b> | <b>320.562</b> |
| - Cernavoda NPP   | 253.754        | 238.971        |
| - FCN Pitesti   | 18.393         | 16.626         |
| - SNN Executive   | 69.433         | 61.569         |
| <b>Execution of the investment programme on June 30<sup>th</sup> 2014</b> | <b>82.942</b>  | <b>101.373</b> |

The value of the investment programme for 2014 is 6,5% higher than that the value of the investments programmed for 2013. However, for the first semester of 2014, the execution of the investment programme is 18,2% lower compared to the same period of 2013.

### 2.3. Events, transactions and economic changes that significantly impact the revenues from the main activity

The revenues from the core activity are impacted by:

- The electricity production of Cernavoda NPP in tight correlation with the operational performance of the two nuclear units;
- The compliance with the calendar for the gradual liberalization of the market and the contribution of the company to the regulated basket for 2014-2017;
- The regulated prices established by ANRE;
- The evolution of the prices on the competitive market and the capacity of the company to compete successfully in such market price conditions.

### 2.4. Other significant events in the first semester of 2014

Other significant events in the first semester of 2014 which were not presented in the 2014 Q1 Report are the following:

## **The resolutions of the Ordinary and Extraordinary General Meetings of Shareholders dated April 29<sup>th</sup>, 2014**

Through Resolution no. 3/29.04.2014 of the OGMS the following were approved:

- (i) The annual, individual and consolidated financial statements for the 2013 financial year;
- (ii) The Annual Report in compliance with art. 227 of Law no. 297/2004 regarding the capital market and with no. 32 of the CNVM Regulation no. 1/2006 for the financial year ended on December 31<sup>st</sup>, 2013;
- (iii) The Proposal of the BoD regarding the distribution of the net profit of the 2013 financial year, the approval of the gross dividend value per share, of the date to start dividend payments and of the payment procedure;
- (iv) The Report on the administration activity for the 2013 Q4, in compliance with art. 7, paragraph 7.21 of the Administration Contract signed between the members of the BoD and S.N. Nuclearelectrica S.A.

Through Resolution no. 4/29.04.2014 of the EGMS the following were approved:

- (i) Changes in the Articles of Incorporation of SNN;
- (ii) Launching the process to select, based on a competitive procedure, the consultancy services of a specialized company, authorized by ORNISS, in the technical-economic and legal field, to elaborate a „Technical-economic and legal study regarding the reorganization of the exploitation and processing of uranium ore and production of nuclear fuel”. The amounts necessary to elaborate the study will be included in the 2014 budget approved in compliance with the legal stipulations.

### **Cernavoda NPP Units 3 and 4 Project**

SN Nuclearelectrica SA and the Chinese company China General Nuclear Power Corporation signed on April 25<sup>th</sup>, 2014 an Addendum to extend until December 31<sup>st</sup>, 2014 the availability of the Letter of Intent signed in November 2013.

The Letter of Intent signed by the two parties establishes the cooperation framework regarding the development of the project.

### **Planned outage of Cernavoda NPP Unit 1**

Unit 1 of Cernavoda NPP entered the planned outage programme on May 9<sup>th</sup>, 2014 in order to achieve the planned maintenance workings, once every two years for each unit. Disconnection from the National Energy System occurred on May 10<sup>th</sup>, 2014, 10:00 HRS, the completion of the planned workings of Cernavoda NPP Unit 1 and the connection to the National Energy System taking place on June 8<sup>th</sup>, 2014.

During the planned outage of Unit 1, the following programme activities were unfolded:

- The preventive and corrective maintenance Programme;
- The mandatory inspections Programme;
- The mandatory testing Programme, in compliance with CNCAN's requirements, which can only be done by shutting down the power plant;
- The Programme to implement project changes for certain systems/equipments/components.

### **Dividends payment for the 2013 financial year**

The GMS convened on 29.04.2014 approved the distribution of the net profit and a gross dividend of 1,21 lei/share for the 2013 financial year.

In compliance with the law, the payment of dividends must begin in maximum 60 days from the date established by law for submitting the annual financial statements (April 30, 2014). Therefore, the payment of dividends began on



June 27, 2014, through BRD – Groupe Societe Generale, to SNN shareholders registered in the Shareholders Register held by the Depozitarul Central S.A. at the registration date 16.05.2014.

### **Litigations initiated by S.C. Fondul Proprietatea S.A. regarding the EGMS Resolution no. 1/11.03.2014.**

Fondul Proprietatea S.A. (“FP”), in its quality of shareholder owning 9,7268 % of the share capital, filed with the Bucharest Court of Law the following requests:

- (i) Presiding judge’s order request to suspend the carrying out of the EGMS Resolution no. 1/11.03.2014 which is the object of file no. 11666/3/2014 which is pending before Bucharest Court of Law;
- (ii) Request to certify the absolute nullity and, subsequently, the cancellation of the EGMS Resolution no. 1/11.03.2014, which is the object of the file no. 11661/3/2014, pending before Bucharest Court of Law.

Through EGMS Resolution no. 1/11.03.2014, the following were approved:

- (i) SNN participation in the share capital increase of Hidro Tarnita SA by subscribing a number of 89.000 newly issued shares, with a nominal value of lei 100, shares issued by Hidro Tarnita SA company;
- (ii) the introduction in the 2014 budget of the amounts necessary for the payment of the subscribed shares;
- (iii) the agreement in principle to achieve the Romania-Turkey underwater connection cable Project;
- (iv) SNN participation in the set up of the “ HVDCC Romania- Turcia” Project Company, by subscribing and paying the equivalent in lei of 2.000.000 shares with a nominal value of Euro 1.

The legal action registered with no. 9853/3/2014 before Bucharest Court of Law by Fondul Proprietatea S.A., in its quality of shareholder owning 9,7268% of the share capital of the company, requesting the overruling of the registration request with the Register of Commerce of the EGMS Resolution no. 1/11.03.2014, was overruled as ungrounded. This solution can be appealed in 30 days from the communication.

The presiding judge’s order request registered under no. 11666/3/2014 before Bucharest Court of Law by Fondul Proprietatea S.A., in its quality of shareholder owning 9,7268% of the share capital of the company, requesting the cancellation of the dispositions of the EGMS Resolution no. 1/11.03.2014, was overruled as ungrounded. This legal solution was appealed.

### **Change in the regulated market tariff starting July 1, 2014**

On 20.06.2014 the Romanian Energy Regulatory Authority (“ANRE”) hand over to SNN the Decision of the ANRE President no. 1408/18.06.2014 for the amendment of the ANRE decision no. 3906 dated 20.12.2013, regarding the approval of the energy quantities sold by regulated contracts for the energy delivered by SN Nuclearelectrica SA in 2014. As per Decision no. 1408/2014, the prices applicable for the regulated contracts closed by SNN are changed starting July 1, 2014, as follows:

- The price for the energy sold during day time becomes 176,85 lei/MWh (compared to 167,36 lei/MWh, price previously approved by Decision 3906/2013);
- The price for the energy sold during night time becomes 108,50 lei/MWh (compared to 102,68 lei/MWh, price previously approved by Decision 3906/2013).

Thus, the weighted average price for the energy delivered based on regulated contracts starting July 1, 2014 will be 154,07 lei/MWh, compared to the weighted average price for the first semester of 2014 of 145,80 lei/MWh; these prices do not include the TG regulated fee for the introduction of electricity into the grid, 10,02 lei/MWh (10,32 lei/MWh starting July 1<sup>st</sup>, 2014). In its decision letter, ANRE states that the new prices incorporate the costs incurred with the tax on special constructions, established by GO no.102/2013, on the basis of the documents proving that the first payment done by SNN in May 2014.

## **2.5. Cases in which the company found itself in the impossibility to respect its financial obligations during the first semester**

Not applicable.

## **2.6. Changes regarding the rights of the owners of securities issued by the company**

Not applicable.

## **2.7. Other changes**

The modified Articles of Incorporation of the company were approved by EGMS Resolution on 29.04.2014. The modified Articles of Incorporation are available on the company's website.

## **3. SIGNIFICANT TRANSACTIONS**

Information regarding the significant transactions closed with the affiliated parties during the first semester of 2014 are presented in Appendix 2. The financial auditor issued a report on these legal documents, which was published on July 30, 2014 both on Bucharest Stock Exchange and company's websites.

## **4. SUBSEQUENT EVENTS TO JUNE 30, 2014**

### **4.1. Litigations initiated by Fondul Proprietatea S.A. regarding EGMS Resolution no. 1/11.03.2014**

On 24.07.2014, SNN was informed on the civil ruling no. 3408/26.06.2014, by which the Bucharest Court of Law overrules the request registered by Fondul Proprietatea S.A., in its quality of shareholder owning 9,7268 % of the company's share capital, requesting the cancellation of the EGMS Resolution no.1/11.03.2014. This legal solution can be appealed in 30 days from the communication.

The appeal against the decision to overrule the presiding judge's order registered with the Bucharest Court of Law by S.C. Fondul Proprietatea, requesting the cancellation of the dispositions of EGMS Resolution no. 11.03.2014, was overruled as ungrounded on 23.07.2014.

### **4.2. General Meeting of Shareholders of July 31, 2014**

On 31.07.2014, the OGMS approved the 2014 Budget.

On the same date, the EGMS approved the initiating actions to increase SNN's capital with the value of the land located on Gen. Gh. Magheru Av, for which a Certificate of Land Ownership was issued by the Ministry of Economy in February 2014.

### **4.3. Cernavoda NPP Units 3 and 4 Project**

On July 2, 2014, the Romanian Government approved the Memorandum on "The approval of certain measures regarding the strategy to continue the 3 and 4 Units Project".

Within the EGMS dated 31.07.2014, it was published and presented to the shareholders a report regarding the continuation of Cernavoda NPP Units 3 and 4 Project and attracting new investors through a competitive selection procedure .

On July 31, 2014, the Romanian Government approved the Memorandum on „The approval of the strategy to continue the Cernavoda NPP Units 3 and 4 Project by appointing an investor selection procedure”.





## **5. STATEMENTS AND SIGNATURES**

Based on the most accurate available information, we hereby confirm that the interim individual condensed unaudited financial statements and the interim consolidated condensed limited reviewed financial statements prepared in compliance with the applicable accounting standards (The International Accounting Standard 34 - „Interim Financial Reporting”) provide a correct and true image regarding the company’s financial position, financial performance and cash flow for the period ended on June 30, 2014 and that this report, prepared in compliance with art. 227 of Law no. 297/2004 on capital markets and Annex no. 31 of CNVM Regulation no. 1/2006 for the period ended on June 30, 2014, contains correct and true information regarding the development and performance of the company and the group.

**Alexandru SANDULESCU**  
**Chairman of the Board of Directors**

**Daniela Lulache**  
**Chief Executive Officer**

**Mihai Darie**  
**Chief Financial Officer**

**Annex 1 – FINANCIAL RATIOS**

| <b>Indicator <sup>**)</sup></b>          | <b>Formula</b>                                       | <b>M.U.</b> | <b>Achieved at<br/>30.06.2014</b> |
|--|--|-------------|-----------------------------------|
| <b>1. The current liquidity ratio</b>    | Current assets/<br>Current liabilities               | x           | 1,67                              |
| <b>2. The indebttness ratio</b>          |  |             |                                   |
| 2.1. The indebttness ratio (1)           | Long term liabilities/<br>Shareholder's equity x 100 | %           | 20,8%                             |
| 2.1. The indebttness ratio (2)           | Long term liabilities/<br>Capital employed x 100     | %           | 17,2%                             |
| <b>3. Receivables turnover</b>           | Average accounts receivable/<br>Turnover x 180       | days        | 17                                |
| <b>4. Non-current assets turnover *)</b> | Turnover/ Non-current assets                         | x           | 0,21                              |

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

\*\*\*) *based on the individual interim condensed financial statements*



## **Annex 2– Transactions reported in the first semester of 2014 as provided by art. 225 of Law no. 297/2004**

The transactions with affiliated parties related to the first semester of 2014 were reported in the current reports on January 10, 2014, January 15, 2014, February 3, 2014, February 7, 2014, March 4, 2014, March 28, 2014, April 11, 2014, May 16, 2014, May 27, 2014, May 30, 2014, June 10, 2014 and July 29, 2014.

**Annex 3 – Significant litigations**

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

|    |   |  |               |   |   |
|----|---|--|---------------|---|---|
| 3. | plaintiff: SNN<br>defendant<br>:PRIMARIA<br>CERNAVODA | Bucharest<br>Court of Law<br>The 8th<br>fiscal<br>administrative<br>litigation<br>division<br>Medgidia | 33659/3/2012  | 336.707,37 lei<br>Trial expenses-<br>lawyer fee SCPA<br>Stoica&Asociatii                                | Partially admits the demand. In compliance with art. 274, paragraph 3 reported to art. 274, paragraph 1 of the Code of Civil Procedure, obliges the defendants to pay the amount of 50.000 lei to the plaintiff SN Nuclearelectrica S.A. , representing trial expenses-lawyer fee for the litigation having as object the cancellation of the Cernavoda Local Council resolution no. 101/29.10.2008 regarding the local tax on pollution and risk.<br>The right to appeal in 30 days from the communication, petition that will be filed with the Medgidia Court.<br>Ruled in public hearing, today 14.05.2014.<br>Document: Resolution 765/2014 14.05.2014<br>The resolution has not been drafted. |
| 4. | Creditor: SNN<br>Debtor:Cet<br>Energoterm Resita      | Caras-<br>Severin<br>Court   | 2183/115/2010 | bankruptcy<br>580.974,21 lei  | Court hearing: 11.09.2014   |
| 5. | Creditor: SNN<br>Debtor:Total Electric<br>Oltenia     | Valcea Court   | 1867/90/2010  | insolvency<br>198.602,5 lei   | Bucharest Court, the 6th division, file 17253/3/09<br>In compliance with art. 107, paragraph 1, letter A of Law 85/2006.<br>Rules bankruptcy general procedure.<br>Appoints ROViGO SPRL as judiciary liquidator.<br>Court hearing:10.09.2014  |
| 6. | Creditor: SNN<br>Debtor:Total Electric<br>Oltenia     | Valcea Court   | 1867/90/2010* | Creditor legal contest  | Retrial on the merits of the case<br>Court hearing: 22.10.2014  |
| 7. | debtor HIDROCORA<br>SRL<br>creditor SNN               | Constanta<br>Court<br>Commercial<br>Division   | 3260/118/2007 | Bankruptcy<br>VAT Debt<br>amendment,<br>collected according<br>to ANAF's<br>disposition<br>6.641,91 lei | Definitive consolidated chart ;<br>reorganization plan distributions.<br>The 3rd tranche was paid 267,87<br>Court hearing on 06.10.2014 for<br>the capitalization of the debtor's<br>goods and the establishment of the<br>distribution plan between the<br>creditors.<br>One more tranche of 267,87 lei to be<br>paid to SNN   |

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| 8. | Rotaru Ioan, Ispas Gheorghe, Irimie Traian<br>Civil party SNN<br>TESS civil responsible party | District 1<br>Penal Court        | 48031/299/2<br>010               | 13.493.080,3 lei lei                       | <p>Corruption accusation defendants-abuse of power.<br/>In compliance with art. 120 of the Penal Code of Procedure, complies with the following objectives of the accounting expertise, public procurement specialization:</p> <ol style="list-style-type: none"> <li>1. – to be established if the negotiated prices and the amount paid by SNN to S.C. „TESS CONEX” S.A. were in accordance with the real value of the purchased products through the contracts that are the object of the accusation ;</li> <li>2. 2. – to be established if through closing and unfolding the contracts a prejudice was caused, and if the case be, to establish the person who caused the prejudice ;</li> <li>3. 3. – to establish the mechanism that caused the prejudice. Each objective of the expertise will be done separately according to each contract for which the defendants were sent to trial, with the express indication of the stage during which the prejudice was caused-during closing or execution of the contracts.</li> </ol> <p>Ruled in public hearing, today 19.04.2013.<br/>Public institutions accounting expert Banu Gh + 4 other party experts. The expertise that concludes that no prejudice was caused was deposited.<br/>Court hearing 20.08.2014, 10.00 Hrs to challenge the DNA expertise</p> |
| 9. | creditor: SNN<br>debtor: Eco Energy   | Dambovita<br>Court<br>bankruptcy | 7238/120/20<br>12<br>7238/120/20 | Bankruptcy<br>Simplified<br>procedure debt | Admits the debt claim in the preliminary tabel. Eco Energy, through special administrator,   |

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|     |   |  | 12/                                  | claim declaration<br>2.464.059,64 lei  | disputes the decision.<br>Partially admits the legal dispute and rules the provisional registration of SNN and Transelectrica's debt in the definitive tabel until solving the litigations pending before the courts regarding these debts.<br><br>Court hearing 22.09.2014   |
| 10. | plaintiff: SNN<br>defendant ECO<br>Energy | Bucharest<br>Court of Law<br>6th division<br>Bucharest<br>Court of<br>Appeal | 52814/3/201<br>1                     | -contract<br>cancellation<br>-compensation<br>demands for<br>cancellation in<br>value of<br>2.403.397,17 lei | Overrules the appeal of the defendant ECO ENERGY S.R.L. through judiciary liquidator SCP AURORA INSOLVENCY against the civil ruling no. 422/2011, dated November 20, 2011, ruled by the Bucharest Court of Appeal as ungrounded.<br>Irrevocable.<br><br>Retrial on the merits of the case<br>Cancellation ruling. Admits the demand of the plaintiff SNN against the defendant SC Eco Energy SRL, in insolvency through judiciary liquidator SCP Aurora Insolvency and establishes the right cancellation of the contract no. 1171, dated 18.12.2008.<br>Obliges the defendant to pay to the plaintiff the amount of 30.563,40 lei, as trial expenses.<br>Appeal in 15 days from the communication.<br>Ruled in public hearing, today 20.12.2013.<br>Document: Decision 7374/2013 20.12.2013<br>It rules for the defendant to pay reimbursement in value of 2.403.397,17 lei and the petition of a new file 40950/3/2013, whose object is demands.<br>Eco Energy filed an appeal. |
| 11. | plaintiff: SNN<br>defendant ECO<br>Energy | Bucharest<br>Court<br>The 6th civil<br>division                              | 40950/3/201<br>3<br>52814/3/201<br>1 | Demands<br>2.403.397,17 lei  | Ruling on the merits of the case after separation: pleads for suspension of right-art. 36, insolvency law. Art. 36 of Law 85/2006 suspends trial.   |

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|     |  |   |                |  | Appeal throughout the entire suspension period.<br>Suspension 31.01.2014  |
| 12. | plaintiff: SNN<br>defendant: Cernavoda Town Hall | Medgidia Court  | 7344/256/2013  | Recovery of lawyer fee of 13.020 lei, file 5545/1/2011 – appeal for annulment by Cernavoda City Hall, overruled by the High Court of Cassation and Justice | Admits the legal action and overrules SNN’s demand regarding the trial expenses (756 lei) related to the present cause.<br>Right to appeal in 30 days from the communication, appeal that will be filed with Medgidia Court<br>Ruled in public hearing, today 28.04.2014.   |
| 13. | plaintiff: SNN<br>defendant: S.C.ENNET GRUP SRL  | Bucharest Court of Law<br>The 6th division<br>The New Code of Civil Procedure | 19585/3/2013   | debit and penalties 1.142.898,52 lei<br>600.000 lei were paid, the rest to be paid, including trial expenses, is 618.924,02 lei                            | Admits the request as it was formulated. Obliges the defendant to pay to the plaintiff the following amounts : 378.860,80 lei representing debit difference, 164.037,72 lei representing delay penalties calculated until 27.05.2013 and 54.701,72 lei representing delay penalties calculated for the period 28.05.2013-06.11.2013.<br>Obliges the defendant to pay to the plaintiff the amount of 21.323,78 lei, as trial expenses.<br>Appeal in 30 days from the communication.<br>The appeal will be filed with the Bucharest Court of Law, the 6th Civil Division.<br>Ruled in public hearing, today, November 11, 2013<br><br>Document: Resolution 6528/2013 11.11.2013 |
| 14. | plaintiff: Electrica Furnizare<br>defendant: SNN | District 1 Court<br>Bucharest Court of Law<br>The 6th division                | 26211/299/2013 | Lawyer fee demands : 18.000 lei<br>Admits 15.000 lawyer fee + 1016 lei partial stamp duty in compliance with the partial admittance of the legal action    | Partially admits the request of Electrica Furnizare and obliges SNN to pay 15.000 lei trial expenses in file 47215/3/2009 and 1016 lei trial expenses in the current file.<br>Appeal possibility.<br>Document: Resolution 1715/2014 06.02.2014<br>Overrules the appeal as ungrounded. Definitive.<br>Ruled in public hearing.<br>Electrica Furnizare was paid 16.016  |



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| 15. | plaintiff: Transelectrica SA<br>defendant: SNN | Bucharest Court of Law<br>The 6th civil division<br>Bucharest Court of Appeal | 35455/3/2013   | penalties<br>646.270,87 lei   | Partially admits the legal action. Obliges the defendant to pay to the plaintiff the amount of 10,44 lei representing delay penalties calculated for the invoice 6108/04.10.2010, throughout 15.10.2010- 31.12.2010. Overrules the other demands of the plaintiff as prescribed. Obliges the defendant to pay to the plaintiff the amount of 1 Leu as trial expenses. Appeal in 30 days from the communication. The appeal will be filed with the Bucharest Court of Law, the 6th division. Ruled in public hearing, today, 13.05.2014. Document: Resolution 2359/2014 13.05.2014. Transelectrica filed an appeal. Court hearing to be established.  |
| 16  | plaintiff: SNN<br>defendant: Transelectrica    | District 1 Court  | 8244/299/2014  | 40.494,41 lei legal interest for delayed payment of invoice   | Court hearing to be established  |
| 17. | creditor: SNN<br>debtor: RAAN                  | Mehedinti Court   | 9089/101/2013  | Debt claim<br>7.828.405,48 lei<br>In accordance to the reorganization plan, SNN will receive 5.450.135,91 lei on a two year period. | SNN will recover the amount of 5.450.135,91 lei (69,62%) on a two year period, starting with the first semester of the next year. In compliance with 19, paragraph 2 and art. 11, letter d of Law 85/2006. Confirms Tudor & Asociații SPRL in quality of judiciary administrator of debtor RAAN, with a fixed fee of 30.000 Euro/month + VAT for the observation and judiciary reorganization period and a variable fee of 3% + VAT for the observation and judiciary reorganization period of the amounts distributed to the creditors, paid or compensated as approved by the General Meeting of Creditors on 14.02.2014. Court hearing: 9.10.2014 |
| 18. | plaintiff: SNN<br>defendant Enol Grup          | District 3 Court  | 25195/299/2014 | 121.369,03 lei legal interest as penalty  | Court hearing to be established  |

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|     | SA  | District 1 Court                              |                   | to the cancellation compensation of the contract  |   |
| 19. | plaintiff: SNN<br>defendant: AXPO Energy Romania S.A. | District 1 Court                              | 27072/299/2014    | 60.033,63 lei legal interest as penalty to the cancellation compensation of the contract              | Court hearing to be established   |
| 20. | plaintiff : Dobrota Dumitru<br>garnishee : SNN        | Targu Jiu Court                               | 4351/318/2014     | 700 lei   | Admits the exception of the tardiness of formulating the dispute on appeal against enforcement. Overrules the appeal against enforcement as tardily formulated. Appeal possibility. Ruled in public hearing dated 20.06.2014. Document: Resolution 4111/2014 20.06.2014 |
| 21. | plaintiff : FP<br>defendant : SNN                     | Bucharest Court of Law The 6th civil division | 11661/3/2014      | Certification of absolute nullity of the EGMS Resolution no. 1/11.03.2014 or its cancellation thereof | Admits the exception of lack of interest. Overrules the request as lacking interest. Appeal right in 30 days from communication. Ruled in public hearing, today 26.06.3014. The resolution has not been drafted yet.  |
| 22. | plaintiff : FP<br>defendant : SNN                     | Bucharest Court of Law The 6th civil division | 11661/3/2014      | Certification of absolute nullity of the EGMS Resolution no. 1/11.03.2014 or its cancellation thereof | Admits the exception of lack of interest. Overrules the request as lacking interest. Appeal right in 30 days from communication. Ruled in public hearing, today 26.06.3014. The resolution has not been drafted yet.  |
| 23. | Plaintiff : FP<br>Defendant : SNN                     | Bucharest Court of Law Division VI Civil      | File 11666/3/2014 | Presiding judges order request : the suspension of the execution of the EGMS Resolution1/11.03.2014   | Rejects the claim as ungrounded with right to appeal in 5 days. Sentenced in public hearing today, 06.06.2014. Document : Decision 2947/2014 06.06.2014   |
| 24. | Intervener: FP<br>Petitioner: SNN                     | Bucharest Court of Law                        | 9853/3/2014       | Intervention claim through which FP   | Rejects the intervention claim as ungrounded. Admits the  |

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|     |  | Division VI   |   | requests the rejection of the registration at the Trade Registry of the EGMS Resolution 1/11.03.2014                                   | registration of the claim and/or the mentioning in documents number 96561/18.03.2014. Rules the mentioning in the trade registry of the EGMS Resolution 1/11.03.2014 and EGMS Resolution 2/11.03.2014 by SN Nuclearelectrica SA. With appeal in 30 days. The appeal must be submitted to the Bucharest Court of Law Division VI Civil. Ruled in public hearing, today 10.06.2014. |
| 25. | Plaintiff :SNN<br>Defendant :ANRE              | Court of Appeal of Bucharest Division VIII<br>Legal administrative and fiscal | 416/2/2014                              | Modification of regulated tariff Decision 3609/2013  | Deadline:2.09.2014  |
| 26. | Objector : SNN<br>Defendant: Chirica Teodor    | Court of District 4   | File 10799/4/2014                       | Attachment of SNN account for the amount of 96.055,87 lei (income tax and contributions). Appeal to the execution of the file 175/2014 | Deadline to be pronounced   |
| 27. | Objector: SNN<br>Defendant:ANRMAP              | Court of District 1   | Files 21040/299/2014 and 21035/299/2014 | Ascertaining record 068 –fine 30.000 lei   | Deadline to be pronounced   |
| 28. | Plaintiff: Marcuta Mihai<br>Defendant : SNN    | Bucharest Court of Law Division VIII  | 6850/3/2014                             | Employment litigation. Appeal against the decision to suspend his individual work contract   |   |
| 29. | Plaintiff: SNN<br>Defendant: Court of Auditors | Bucharest Court of Appeal Section VIII<br>Legal administrative and fiscal     | 6561/2/2012                             | litigation CC Lg.94/92   | « Decision number 2722/10.06.2014. Rejects the appeal declared by the plaintiff Societatea Nationala Nuclearelectrica S.A. against the civil sentence number 6332/7.11.2012 ruled by Bucharest  |

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|     |  | ICCJ   |             |   | Court of Law - Section VIII Legal, administrative and fiscal as ungrounded. Irrevocable. Ruled in public hearing, today June 10 <sup>th</sup> , 2014.<br>Decision not drafted.   |
| 30. | Plaintiff :SNN<br>Defendant :Electrica Furnizare                                 | Court of Law of Bucharest Division VI<br>Court of Appeal of Bucharest Division VI<br>The high court of cassation and justice | 5120/3/2013 | Penalties claim<br>1.351.455,56 lei   | Admits the summoning to the court of law. Rejects the counterclaim as ungrounded. Obliges the defendant Electrica Furnizare to pay the plaintiff the amount of 1 351 455,56 lei, as delay penalties. Obliges the defendant to pay the plaintiff the amount of 17 630 lei, as court costs. With appeal in 15 days. Resolution number 6439/2013 01.11.2013.<br>Appeal : admits the appeal of Electrica Frunizare. Modifies the sentence in full. Rejects the main claim as ungrounded and admits the counterclaim. Annuls article 13, line 3 and 4 regarding penalties from the contract number 55/9.02.2012, obliging the plaintiff-defendant SNN to pay the defendant-plaintiff S.C. ELECTRICA FURNIZARE S.A the amount of 1.408.131,85 lei as paid up penalties. Obliges the plaintiff-defendant to pay the defendant-plaintiff the amount of 36.105,8 lei as court costs (first instance trial and appeal).<br>With appeal in 15 days.<br>Appeal was been drafted.<br>Deadline to be pronounced. |
| 31. | Plaintiff: Greenpeace CEE Romania<br>Defendants: Ministry of Environment and SNN | Court of Appeal of Bucharest legal<br>ICCJ<br>Division VIII legal, administrative and fiscal I                               | 3663/2/2013 | Cancellation of the decision to issue the environment agreement for Projects Units 3 and 4. | Rejects the exception of the lack of active and passive procedural capacity of the defendant Nuclearelectrica as ungrounded. Admits the exception of lack of object of the claim to cancel the environment agreement as ungrounded.<br>Rejects the lack of inadmissibility exception of the claim to suspend the decision to issue the environment agreement, as ungrounded. Rejects as ungrounded   |

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|  |  |             |  |   | <p>the exception of prematurity of the claim to cancel the environment agreement. Rejects the claim to cancel the environment decision as ungrounded. With appeal in 5 days. Decision number 2284/2013 12.07.2013.</p> <p>The sentence was ruled</p> <p>An appeal to meet the claim was filled tat ICCJ</p> <p>Deadline for appeal to be decided</p> |
| Plaintiff: Greenpeace CEE Romania<br>Defendants: Ministry of Environment and SNN | Court of Appeal of Bucharest Division VIII | 3793/2/2013 | The suspension of the decision to issue the environment agreement for Units 3 and 4 Project. | <p>Rejects as ungrounded the exception of the lack of procedural capacity of the defendants. Rejects, as ungrounded, the exception of lack of passive procedural capacity of the defendant SNN.</p> <p>Rejects the inadmissibility exception of the claim as ungrounded for chapter I of the initial claim (the annulment of the environment agreement) as well as the additional claim (the annulment of HG nr. 737/2013). Admits the exception of lack of object of chapter II of the initial claim (the annulment of the environment agreement for the project “The continuation of construction and completion works at Cernavoda NPP Units 3 and 4”). Rejects, as ungrounded, the exception of lack of interest of the initial and additional claims.</p> <p>With right to appeal. Ruled in public hearing today, March 14<sup>th</sup> 2014.</p> <p>Ruling on May 9<sup>th</sup> 2014.</p> <p>Rejects chapter II of the initial claim regarding the annulment of the environment agreement for the “The continuation of construction and completion works at Cernavoda NPP Units 3 and 4”Project, as lacking object. Rejects the rest of the claim, as filled in the additional claim, as ungrounded.</p> <p>With appeal in 15 days since the ruling.</p> <p>Ruled in public hearing, today May 9<sup>th</sup>, 2014.</p> <p>Document: Resolution 1436/2014</p> |  |

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|     |  |   |  |  | 09.05.2014.   |
| 32. | Debtor: Termoficare 2000<br>Creditor: SNN  | Court of Law of Arges                                     | 873/1259/2008                            | 2.713.986,71 lei   | INSOLVENCY.<br>Establishes the deadline for the continuation of the procedure for 23.09.2014 in order to recover the receivables and to capitalize the assets owned by the debtor. Rules to display the report on the amounts recovered from the liquidation and the recovery of receivables for the period between January – March 2013 at the Court of Law.<br>With right to appeal, on the merits of the cause.  |
| 33. | Debtor: CON-DEM SA<br>Creditor: SNN  | Court of Law of Bucharest<br>Court of Appeal of Bucharest | 18770/3/2007<br>Appeal<br>18770.1/3/2007 | Bankruptcy<br>2.446.227,08 lei                               | Refutes the reorganization plan.<br>Bankruptcy general procedure.<br>Liquidator RVA Insolvency<br>17.09.2014  |
| 34. | Plaintiff: Greenpeace CEE Romania<br>Defendants: Ministry of Environment and SNN | Court of Appeal of Bucharest<br>legal<br>ICCJ             | 8184/2/2011<br>8184/2/2011<br>*          | Cancellation of the environment authorization of FCN Pitesti | <u>First instance trial:</u> Admits the inadmissibility exception from the count regarding the annulment of HG1061/2011 as well as the request for the suspension of the activity of FCN Pitesti. Rejects the exception of lateness of the complementary claim of the plaintiff. Rejects the claim as ungrounded.<br><u>APPEAL:</u> admits the appeal of Greenpeace CEE Romania against the civil sentence 2014/21.03.2012 of the Court of Appeal of Bucharest – Division VIII Legal Administrative and Fiscal. Quashes the attacked sentence and send the file for retrial to the same court of law. Irrevocable. Decision number 3414/15.03.2014<br><u>Retrial:</u> Rejects the claim. Admits the inadmissibility exception from the count regarding the suspension of the activity of the factory due to its non compliance with the legislation regarding the environment impact and rejects, consequently, this count, as inadmissible. Rejects the rest of the claim, as filed, as ungrounded. AS |



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|  |  |  |  |  | <p>per art 274, paragraph (3) from the Code of Civil Procedure, obliges the plaintiff to pay to the defendant SN Nuclearelectrica SA the amount of 15.000 lei as court costs, representing attorney fees. With appeal in 15 days. Decision number 2626/18.09.2013<br/>Deadline for retrial appeal:<br/>05.11.2014</p> |
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**Annex 4 – Individual interim condensed unaudited financial statements as at and for the period ended June 30, 2014**

The individual interim condensed unaudited financial statements as at and for the period ended June 30, 2014 prepared in compliance with the applicable accounting standards (The International Accounting Standard 34 - “Interim Financial Reporting”) are published on Nuclearelectrica’s web page, Investors’ Relations section. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro))





**Annex 5 – Condensed interim consolidated financial statements limited reviewed as at and for the period ended June 30, 2014**

The condensed interim consolidated financial statements limited reviewed as at and for the period ended June 30, 2014, prepared in compliance with the applicable accounting standards (The International Accounting Standard 34 - “Interim Financial Reporting”) are published on Nuclearelectrica’s web page, Investors’ Relations section ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro))



**Annex 6 – The half yearly report of the Board of Directors on the administration activity for the first semester of 2014**

The half yearly report of the Board of Directors on the administration activity for the 1<sup>st</sup> semester of 2014, prepared in compliance with OUG no. 109/2011, regarding the corporate governance of public companies and administration contracts is published on Nuclearelectrica's web page, Investors' Relations section. ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)).