

SN Nuclearelectrica SA

Report of the administrators for the quarter IV of 2014
(All amounts are in RON, unless stated otherwise)



QUARTERLY REPORT
OF THE BOARD OF DIRECTORS OF S.N. NUCLEARELECTRICA S.A. (“SNN”)
for 4th Quarter 2014

prepared in accordance with the provisions of art. 7.19 and art. 7.2 from the administration contracts
of the members of the Board of Directors and
the provisions of GEO 109/2011 regarding the corporate governance of public companies

Date of the report: March 2015

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1. FOREWORD

The report of the administrators for the quarter IV 2014 is prepared based on the provisions of the articles 7.19 and 7.21 of the administration contracts of the Board members, as well as in compliance with the provisions in GEO no. 109/2011 regarding the corporate governance of public companies.

Thus, the Board of Directors must submit quarterly to the General Meeting of Shareholders a report on the administration activity, which also includes information on the execution of the warrant contracts of the directors, details concerning the operational activities, the company's financial performances and accounting reports; also, the quarterly reports must include information on the degree of fulfillment of the performance criteria.

This report will be presented and submitted for approval to the General Meeting of SNN Shareholders on 29 April 2015.

2. ANALYSIS OF THE FINANCIAL STATEMENT

The financial information presented in this report is based on the audited individual financial statement for the financial year concluded on 31 December 2014, prepared in compliance with OMFP no. 1286/2012 for the approval of the Accounting Regulations in accordance with the International Standards of Financial Reporting, with the related amendments, applicable to companies whose securities are allowed for trading on a regulated market. The submitted indicators are in lei (RON) unless otherwise stated.

2.1 Financial position as at 31.12.2014

The financial position as at 31.12.2014 is presented in **Appendix 1**.

Thousand Lei	31 Dec 2014	31 Dec 2013	Variatie
Non-current assets	8.025.828	8.279.553	-3%
Current assets	1.840.072	3.420.660	-46%
Total assets	9.865.900	11.700.213	-16%
Long term liabilities	1.899.194	2.096.401	-9%
Current liabilities	478.452	1.905.375	-75%
Total liabilities	2.377.645	4.001.776	-41%
Equities	7.488.255	7.698.437	-3%
Total equities and liabilities	9.865.900	11.700.214	-16%

The non-current assets registered a similar level, as of 31.12.2013. The impact of investments done mainly for the projects in progress of completion related to Units 1 and 2 was compensated by the amortization of the period.

The current assets registered a decrease compared to 31.12.2013, because in November 2014 the quantity of 786.715,78 kg of heavy water acquired during 2006-2011 from cash contributions from the state budget totaling 1.382.640.479 RON, for Units 3 and 4 was transferred to the National Administration of State Reserves and Special Issues (ANRSPS), according to GEO no.56 / 2013. On 31 December 2013, the heavy

water that was to be transferred to ANRSPS was presented in the individual statement of financial position as assets to be transferred to the current assets group, while the cash contributions from the state budget were classified as a liability related to the transfer of assets within the current liabilities.

The long term liabilities decreased due to bank installment payments related to the external loans contracted with Societe Generale and Euratom for the completion and commissioning of the Cernavoda NPP Unit 2.

On 31.12.2013, **the current liabilities** position comprises the short term due proportion of the external loans, the credit contracted with BCR by the Ministry of Public Finance, fully paid by SNN in July 2014 (25.964 thousand lei), as well as the value of the heavy water acquired in the period 2006-2011 from cash contributions from the state budget, amounting to 1.382.640.479 lei. On 31.12.2014, the decrease of the current liabilities is mainly due to the transfer of heavy water from November 2014 to ANRSPS.

In 2014, SNN obtained the title of property for a land obtained freely from the Ministry of Economy, for which the Company will issue new shares to increase the share capital by the value of the land. Thus, on 31.12.2014, the **equities** increased by 1.890 thousand lei representing the fair value of the land. To date, the General Meeting of Shareholders has approved the capital increase with the value of this land. In the same period, the revaluation reserve and the carried forward result decreased by 7% and respectively 4% compared to 2013.

In the same time, according to the AGEA Resolution no. 8/06.10.2014, it was approved the increase of the SNN share capital with cash contribution in the amount of 194.376.700 lei representing the cash contribution of the Romanian state, respectively the value of the budgetary allocations related to the period 2006-2009 for the Unit 2 execution and for the financing of the works to the Units 3-5 from Cernavoda NPP, value presented on 31.12.2014 in the equities, on the position **Reserve** to pay in advance to the share capital.

2.2 Profit and loss account for the period ended on 31.12.2014

During the period ended on 31.12.2014, SNN recorded a net profit of 133.686 thousand lei.

Thousand LEI	2014	2013	Variatie
Production (GWh)	10.739	10.696	0%
Operating income	1.814.253	2.059.022	-12%
<u>Operating expenses</u>	(1.213.170)	(1.164.925)	4%
EBITDA	601.082	894.097	-33%
<u>Depreciation and amortization</u>	(425.873)	(433.001)	-2%
EBIT	175.209	461.096	-62%
Income / Net financial expenses	(20.882)	56.594	-137%
<u>Profit tax net expense</u>	(21.262)	(94.299)	-77%
Net profit	133.065	423.391	-69%

The operational profit (EBITDA) decreased by 33% compared to the same period of last year, this evolution being the result of the following factors:

- The negative evolution of the operating income caused by the decrease in the energy selling prices on the competitive market (-16%) which did not compensate for the decrease in quantities sold on the

regulated market (-29%);

- In 2014, income from significant penalties was no longer recorded (during the year 2013, these were in amount of 86.317 thousand lei);
- The introduction starting January the 1st, 2014 of the tax on special constructions which led to an increase in operating expenses with 89.399 thousand lei during the period analyzed by comparison to the similar period of 2013. The tax on special constructions was acknowledged by ANRE in the regulated price starting with July 2014, but only for the portion relating to the second semester of the year 2014.

The company is exposed to exchange risk relating to several currencies among which EUR, CAD and USD. During the year 2014, the net differences in exchange rate (incomes minus expenses from differences in exchange rate) negatively influenced the net result of the company, the financial activity loss being in amount of 20.882 thousand lei, compared to the year 2013 when a profit of 56.594 thousand lei was obtained from the financial activity.

The profit and loss account for the period ended on 31.12.2014 is presented in the **Appendix 2**.

2.3 Execution of the Revenues and Expenses Budget as at 31.12.2014

The revenues and expenses budget (“BVC”) of SNN for the year 2014 was approved by the Resolution of the Romanian Government no. 413/2014 and by the Resolution no. 5/31.07.2014 of the Ordinary General Meeting of Shareholders of SNN (“OGMS”).

In the Board of Directors meeting dated 15.09.2014, the update of the BVC indicators for 2014 was approved. Thus, the total revenues estimate an increase of 89.737 thousand lei (+4.92%), and the expenses an increase of 5.104 thousand lei (+0.29%) compared to Budget initially approved, the updated gross estimated profit being of 124.271 thousand lei (+213.5%).

The company is monitored regarding the compliance with the performance indicators, objectives and criteria, respectively the compliance with the salary payroll level, with the revenues and expenses level, the program to reduce the arrears and the outstanding receivables. The BVC execution on 31.12.2014 is presented in **Appendix 3** to the present report.

As per the analysis of the Budget of Revenues and Expenses execution manner for 31.12.2014 (**Appendix 3**), it results an exceeding of the gross budgeted result by 24,2%, which is generated by the total planned expenses, 98,2% executed, while total income was 99,9% executed.

The BVC execution is presented also compared to the budget initially approved by OGMS SNN and by the Government Decision no. 413/2014.

3. OPERATIONAL ACTIVITIES

3.1 Electricity production

During the year 2014, the two units of Cernavoda NPP produced a quantity of energy of 11.675.572 MWh (brutto) and delivered to the National Energy System 10.739.129 MWh (the difference, namely 693 thousand MWh, is represented by the own consumption of the units during operation, as well as during the planned and unplanned outages). Compared to the year 2013, when 10.674.183 MWh were produced and

delivered to the National Energy System, an increase of 0,6% was recorded.

During the quarter IV of 2014, the two units of Cernavoda NPP produced an electricity quantity of 3.052.432 MWh (brutto) and delivered 2.809.335 MWh to the National Energy System (the difference, namely 243 thousand MWh is represented by the own consumption of the units during operation, as well as during the planned and unplanned outages). Compared to the quarter IV of 2013, when 2.687.514 MWh was produced and delivered to the National Energy System, an increase of 4,5% was recorded.

During the year 2014, the electricity production program approved by the Board of Directors of SNN for 2014, which considered for the year 2014 a quantity of produced and delivered electricity of 10.546.342 MWh, was 101,83% accomplished.

The energy production program approved by the Board of Directors of SNN for 2014 considered for the quarter IV a quantity of produced and delivered electricity of 2.814.805 MWh, was 99,81% accomplished during this period. The failure to achieve it was caused by 3 short term outages of the Units 1 and 2, which have occurred during the quarter.

The installed power use factors registered by the Cernavoda NPP Units during the quarter IV of 2014, yearly as well as from the beginning of the commercial operation (Unit 1 on December 2, 1996 and Unit 1 on November 1, 2007) until December 31, 2014, were:

	October 2014	November 2014	December 2014	Cumulated Year 2014	Cumulated since the commercial commissioning
Unit 1	100,60%	100,91%	97,55%	91,14%	90,37%
Unit 2	99,72%	99,70%	92,37%	98,50%	94,54%

The annual capacity factor used to the Unit 1 in 2014 is influenced by the planned outage, which lasted 712 hours.

The three unplanned outages in the quarter IV of 2013 took place as follows:

- December 3 (9.3 hours) - Unit 1 was shut down in a controlled manner for the remediation of a defect to the electric generator excitation system, respectively leakages of the cooling water circuit; the reactor was maintained at 60% of the rated power.
- December 23 - 26 (49.2 hours) - controlled shutdown of Unit 2 for the removal of the heavy water leakages from a pulse pipe located on the reactor front
- December 29 (6.25 hours) - U1 was shut down in a controlled manner for the remediation of a defect to the electric generator excitation system, respectively leakages from the cooling water circuit, the reactor was maintained at 60% of the rated power.

During the year 2014, the quantity of energy produced and delivered by Cernavoda NPP was 0,6% higher than the similar period of 2013. During the quarter IV of 2014, the quantity of energy produced and delivered by Cernavoda NPP was 4,5 % higher than the similar period of 2013, situation caused mainly by the extended unplanned outages from October 2013 to each of the NPP Units.

3.2 Electricity sales

The quantities of energy sold during the year 2014 and the corresponding incomes, distributed on sale contract types are presented in the table below:

SNN electricity sales (quantities, prices and values) during the year 2014

Sales on types	Quantities in MWh	% of total sales	Price (lei /TG included MWh)	Value (lei)
Regulated contracts	3.742.440	34,4%	160,30	599.912.818
Sales on the free market (PCCB and PZU-PI contracts), out of which:	7.133.210	65,6%	167,79	1.192.380.030
- PCCB contract sales	6.069.059	55,8%	171,64	1.041.719.214
- PZU sales	1.032.129	9,5%	145,11	149.773.797
- positive imbalances recorded on the Balancing Market	32.022	3,0%		887.019
Total sales 2014	10.875.650	100%		1.792.292.848

Regarding the energy transactions during 2014, the following results were registered:

- The quantity of energy sold based on contracts, on the spot market (PZU-the Day Ahead Market and PI-the Intraday Market) and on the balancing market is 10.875.650 MWh, with 0,9% above the sales program of 10.778.662 MWh.
- The income on the energy market, during 2014, is 1.792.292.848 lei (exceeding by 3,64% compared to the value considered on the BVC elaboration for 2014 approved by AGOA, but 7,25% lower compared to the accomplishments in the same period of the last year).

The average weighted sale price, for the energy sold quantities (without the balancing market), in 2014, is 165,20 lei/MWh (including T_G). During the year 2013, the average weighted sale price was 175,42 lei/MWh.

Out of the actual performed production of Cernavoda NPP during the year 2014, a percentage share of 34,85% was delivered on regulated contracts.

The quantities of energy sold on the competitive market (PCCB) represented in the year 2014 a percentage share of 55,8% of the total volume of sold energy. The average sale price of the contracts concluded on PCCB during this period was 171,64 lei/MWh, registering a decrease of 16,6% compared to the average price recorded on PCCB contracts in 2013, of 205,78 lei/MWh.

During the year 2014, SNN performed 140 energy sale contracts, as follows:

- 6 regulated contracts (with addendums concluded for 2014);
- 111 contracts concluded on PCCB,
- 22 contracts concluded on PCCB NC;
- 1 supply contract (with an addendum concluded for 2014).

On spot market, during the year 2014, it was sold a quantity of energy representing 9,5% of the total volume of sales, compared to a percentage share of 6,6% recorded in the year 2013. The average selling price of energy on the spot market (PZU, PI) achieved by SNN in 2014 was 145,11 lei/MWh, compared to 142.22 lei/MWh recorded in 2013.

The quantities of energy sold in the quarter IV of 2014 and the corresponding incomes, separated on types of sale contracts, are presented in the table below:

Electricity sales (quantities, prices and values) during the quarter IV of 2014

Sales on types	Quantities in MWh	% of total sales	Price (lei /TG included MWh)	Value (lei)
Regulated contracts	973.553	33,9%	164,47	160.122.232
Sales on the free market (CMBC and DAM-PI contracts), out of which:	1.898.794	66,1%	173,17	327.501.345
- CMBC contract sales	1.803.890	62,8%	172,69	311.527.676
- DAM sales	86.730	3,0%	183,03	15.874.382
- positive imbalances recorded on the Balancing Market	8.174	0,3%		99.287
Total sales quarter IV 2014	2.872.347	100%		487.623.577

Regarding the energy transactions in the **quarter IV of 2014**, the following results were recorded:

- The quantity of energy sold based on contracts, on the spot market (PZU-the Day Ahead Market and PI- the Intraday Market) and on the balancing market is 2.872.347 MWh, with 0,16% below the sales program of 2.876.811 MWh. The difference between the energy sold and the energy delivered by Cernavoda NPP is partially represented by the energy purchased during the unplanned outages, to fully cover the contractual obligations, and it was mostly purchased from the Balancing market, thus negative deviations of the production from the daily prognosis occurred.
- The incomes recorded on the electricity market, determined for the deliveries in the quarter IV 2014 are of 487.623.577 lei (exceeding by 5,65% compared to the value considered on the BVC elaboration for the year 2014 approved by AGOA, but 3,52% lower compared to the accomplishments of the same period of last year).

The average weighted sale price for the sold energy quantities (without the balancing market), resulted in the quarter IV of 2014, is 170,21 lei/MWh (including TG). During the quarter IV of 2013, the average weighted sale price was 174,95 lei/MWh.

During the quarter IV of 2014, compared to the first 9 months, with all the specific volatility of the prices in PZU, it is no longer determined a significant difference between the prices recorded on PCCB and those on PZU on the OPCOM platform. Thus, the prices on PZU were on average higher than the prices of the contracts performed by SNN, as well as than those of the term contracts generally concluded on OPCOM in the quarter IV 2014. During this period, the volume of transactions on PZU stood around 40- 45% of the total of transactions carried out on OPCOM.

The energy sales of SNN were performed, as during the previous period, based on regulated contracts, contracts concluded on the competitive market- assigned on PCCB and PCCB-NC, plus a negotiated supply contract on the competitive market, with Transelectrica - as well as through transactions on the spot market.

The quantities of energy sold based on contracts concluded on the regulated market were in compliance with the ANRE Decision no. 3906/2013. Compared to the year 2013, ANRE reduced the regulated quantities from 50% to 35% of the programmed production of Cernavoda NPP. The regulated price for SNN starting July 2014 was increased by 5,6% through ANRE Decision no.1408/18.06.2012 to the average value of 154,07 lei/MWh without Tg. Based on the own analysis, it resulted that ANRE took into consideration, when establishing the new prices, the costs generated by the establishment of the special tax on constructions, based on the documents related to the first payment done by SNN in May 2014, thus recognizing 50% of the amount of the special tax on constructions paid in 2014 in costs. For the year 2015, ANRE set for SNN a regulated price of 158,63 lei / MWh (without Tg), which also includes recognition of some unrecognized justified costs in the previous year (50% of the tax on special constructions related to the year 2014, semester 1).

In case of energy selling on regulated contracts, beside this price, it is added the TG regulated tariff for the introduction into the transmission grid, of 10,32 lei/MWh (increased from 10,02 lei/MWh since July through the ANRE Order 51/26.06.2014).

Out of the production effectively performed on Cernavoda NPP during the quarter IV of 2014, a percentage share of 34,65% was delivered on regulated contracts.

The quantities of energy sold on the competitive market (PCCB) represented during the quarter IV of 2014 a percentage share of 62,8% of the total volume of the sold energy. The average sale price for the contracts concluded on PCCB for the quarter IV of 2014 was 172,69 lei/MWh, recording a decrease of 12,72% compared to the average price recorded on the PCCB contracts during the quarter IV of 2013, of 197,87 lei/MWh.

During the quarter IV of 2014, SNN performed 79 energy sale contracts, as follows:

- 6 regulated contracts (with addendums concluded for 2014);
- 70 contracts concluded on PCCB;
- 2 contracts concluded on PCCB NC;
- 1 supply contract (with an addendum concluded for 2014)

During the quarter IV of 2014, there were no denounced/terminated contracts.

On the spot market, during the quarter IV of 2014, it was sold a quantity of energy representing 3% of the total sale volumes, compared to the percentage share of 1,1% recorded in the quarter IV of 2013. The energy average selling price on the spot market achieved by SNN during this period was 183,03 lei/MWh, compared to 167.87 lei/MWh, recorded during the same period of 2013.

No significant delays compared to the due dates provided in the contracts were signaled during the year 2014.

3.3 Expenses on the energy market

During the year 2014, the total value of the expenses on the energy market, as responsibility of SNN, is of 139.654.873 lei (out of which 42.598.557 lei in the quarter IV of 2014), representing the taxes for the introduction of energy into the energy power grid (corresponding to TG-the regulated tariff that is paid to Transelectrica) and the taxes for the transactions performed on the OPCOM platform.

During the year 2014, expenses were performed with the purchase of energy from the Intraday Market in value of 4.338.269 lei (out of which 1.838.656 lei during the quarter IV of 2014) with the purpose to fully fulfill the contractual obligations of energy delivering during the unplanned outage of the Units 1 and 2. During the year 2014, an electricity quantity of 33.340 MWh was purchased (out of which 15.474 MWh were purchased during the quarter IV of 2014), at an average price of 130,12 lei/MWh for the period January-December 2014 and, respectively, 118,82 lei/MWh for Q4 2014.

During the year 2014, the expenses on the Balancing Market rose to 25.160.895 lei, and the expenses with the Balancing Market related to the quarter IV of 2014 were in value of 11.539.383 lei. This amount represents the counter value of the energy received from the Balancing Market for the compensation of the negative imbalances which occurred because of the differences between the quantities of actual delivered energy and quantities notified on the market as per the daily prognosis for each time frame. The main impact was recorded in December 2014, as result of the unplanned shutdown of the NPP units.

3.4 Investment program on 31.12.2014

The revised value for the investment program for the year 2014 is 296.737 thousand lei, value approved by the Decision of SNN Board of Directors' no 3/15.09.2014, representing a decrease of 44.843 thousand lei compared to the initial investment program.

The structure of the investment program for the year 2014 is presented in the table below:

Cr t	Organizational structure	Ongoing investm ents [ths lei]	New investm ents [ths lei]	Investments performed in tangible assets (modernizati	Equipm ent [ths lei]	Tot al [ths lei]	Comple tion degree at 31.12.20
1	SNN	43.398	25.225	0	810	69.433	26,2%
2	CNE	150.387	8.357	5.952	44.215	208.91	77,4%
3	FCN Pitesti	2.147	1.951	10.184	4.111	18.393	26,5 %
	TOTAL	195.932	35.533	16.136	49.136	296.73	62,3%

The completion level of the investment value plan at the end of the year 2014 is 62,3%.

The compared situation of the investment accomplishments (value and percentage ones) for the year 2014 compared to the year 2013 is presented in the table below:

Ye ar	Value of the investme nt program [ths lei]	Achieved in the IV quarter (1.10-31.12.2014) [ths lei]	Completion degree for the IV quarter (1.10-31.12.2014) (%)	Cumulated achieved in 1.10-31.12.2014 [ths lei]	Completion degree at the end of year (%)
20	296.737	73.141	24,6%	184.828	62,3%
20	320.562	91.751	28,6%	236.828	73,9%

Analysis of the completion degree of the investment program on December 31st, 2014.

SNN Executive

The low overall degree of achievement concerning the value plan of the investment program per year 2014 on SNN Executive level is explained by the share of provided amounts, which have not been spent for objective reasons, namely:

- Within the chapter of ongoing investment there were provided the amounts of:
 - 22,071 thousand lei representing the contribution of SNN (100%) to the increase of the share capital of SC EnergoNuclear SA (EN)
 - 2,100 thousand lei representing the consolidation of the headquarters in Magheru 33, in case the building owners in Magheru 33 take a decision concerning the consolidation works starting.
- Within the chapter of new investments, there were provided the following amounts:
 - 4,950 thousand lei for the investment objective "Project for securing of information and communications system" aimed at implementing a complex data center, able to provide and cover the entire demand of storage and management of data volumes, in conditions of safety, availability and reliability and the creation of the premises necessary for the implementation of an efficient information system at the level of SNN - Central Headquarters and at the branches level, in accordance with the current requirements of communication and the information structure alignment to the requirements of the ISO27001 information security standard
 - 2,475 thousand lei for the investment objective "Implementation of software applications" which consists in the development of the ERP system (Enterprise Resource Planning) aiming to facilitate the integration

of all the organization's information in a single platform

- 8,900 thousand lei - representing the SNN participation in the share capital increase of the company Hydro Tarnita SA by the underwriting of a number of 89,000 newly issued shares.
- 8,900 thousand lei - representing the SNN participation to the establishment of the project company HVDC Romania - Turcia S.A. by the underwriting of a number of 2,000,000 shares.

The failure to achieve the aforementioned projects has a significant impact on the achievement degree of the SNN Investment Program for the year 2014, by their value share within the total amount (approx. 16.6% of the total amount of the SNN investment program for the year 2014).

The completion degree at the level of SNN Executive at the end of the year 2014 is 26, 2% and is based on the payment of the redemption cost for the shares of ENEL and Arcelor Mittal Galati (17.947.585 lei), the performance of evaluation services for the components related to Cernavoda NPP Unit 3 – Caladria Assembly and Equipment Bay, the value of the transfer authorization for heavy water no. PD/29/2014 and the purchase of IT facilities.

Cernavoda NPP Branch

The investment program of the Cernavoda NPP for the year 2014 amounts to 208.911 thousand lei, out of which about 164.695 thousand lei for major investment projects and modifications and 44.215 thousand lei for other fixed assets and parts of tangible assets type.

The degree of achievement of the investment program at the end of 2014 for the investment projects and major changes is 87.3% and the entire investment program degree of achievement is 77.4%.

During 2014 the following projects / major objectives of the projects were achieved:

- Installation of modernized system for monitoring hydrogen leakage in cooling water (SLMs HP) to U1
- Burnt Fuel Loading Station (SICA) U2
- Construction works and assembly works related to module 7 of the Intermediary Burnt Fuel Storage Facility (DICA)
- Access control point at the Railway gate (CFR) - Execution of building, machinery and equipment.
- Priority Works 1 - Phase 1 resulted from the study concerning the maintenance of critical plant operation in vital structures in case of threats outside the project facilities.
- Modernizing the U1 tire deformation measure system.
- Modernization the lifting installations in the Units 1 and 2 of Cernavoda NPP
- Installing an "online" measurement system of the concentration of dissolved gases in the electrical insulating oil of the transformers for power outlet.
- The power supply of the CNE and CUA Dispensary from own sources of Cernavoda NPP
- Replacement and commissioning of cathode protection systems (BSI 58400) related to the underground tanks and pipes, Standby Diesel Generator (SDG - BSI 52320) and Emergency Power Supply (EPS - BSI 52920) from U no.1.
- SLP signal installation (Sustained Low Pressure) to ECC U1.

Regarding the major investment objectives such as PJ-05-016 Intermediary Burnt Fuel Storage Facility including SICA U # 2, PJ-04-001 Modernization and expansion of the physical protection system, PJ-11-006 Improvement of the Cernavoda NPP's response, namely of the nuclear security functions for events outside of the design base as a consequence of the nuclear accident that occurred at the Fukushima nuclear power plant, their total value provided in the investment program of SNN for the year 2014 is of 75.881 thousands lei.

The completion degree for the major investment objectives at the end of 2014 compared to the company investment program is of 85,8%, as presented in the table below:

Project code	Project name/ Investment objective	2014		Completion stage
		Planned BVC	Achieve	
PJ-05-016	Intermediate storage of spent fuel (including SICA U2)	30.752	27.520	89,5%
PJ-04-001	Upgrading and expansion of the physical protection	28.213	24.867	88,1%
PJ-11-006	Improvement of the Cernavoda NPP's response, namely the improvement of the nuclear safety functions in case of events outside the design base as a consequence of the nuclear accident that occurred at	16.916	12.730	75,2%
	Total	75.881	65.117	85.8%

As per Resolution no. 5/31.07.2014 of the Ordinary General Meeting of the Shareholders of SNN, point 3, it was approved the update of Appendix 1.1 and Appendix 1 to the contract of administration concluded between the administrators and the company. According to the updated Appendix 1.1, the target for the completion degree of the annual value plan of investments cumulated since the beginning of the year is of min. 90%, which means a degree of completion of 95.3% of the target foreseen.

If we take into account the savings during 2014 (about 4.4 million Lei, respectively 5.8% of the amount allocated to the three projects), the savings resulting from exchange rates more favorable than those used in preparing the budget, the contracts signed based on values lower than the ones budgeted, the CAS reduction effect by 5% (from 20.8% to 15.8%) in October 2014, the degree of achievement of major objectives in relation to the planned amount is 91.6%, which means a degree of accomplishment of 101.77% of the target provided.

The works performed for the major investment objectives during 2014 are as follows:

- *Intermediary Burnt Fuel Storage Facility, including SICA U # 2:* SICA U2 completed and commissioned, the construction and installation works related to Module 7 DICA were completed, the baskets necessary for the storage of Burnt Fuel were supplied, the physical protection works related to module 6 were completed and are currently ongoing the works of physical protection related to module 7.
- *Modernization and expansion of physical protection systems:* completed and received the access control point at the CFR gate – Execution of building, machinery and equipment, completed the priority 1 - Stage1 works and ongoing the priority 1 - Step 2 works, resulted from the study on maintaining the operation of the critical plants in the vital structures in case of threats outside the project bases.
- *Improvement of the Cernavodă NPP response, respectively the improvement of the nuclear security functions in case of events from outside the design bases as result of the nuclear accident occurred at the Fukushima nuclear power plant:* there were completed and put into operation the emergency filtered depressurization systems of the envelope to the Cernavodă NPP Units 1 and 2, it was performed the level 2 probabilistic assessment for both units of NPP (Probabilistic Safety Assessment - level 2); the works, for the modification of the designation concerning the constructions existing on the site U5 and their use during the lifetime of the units in operation, record delays in contracting.

FCN Pitesti Branch

The investments program of FCN Pitesti for the year 2014 was in amount of 18.393 thousand lei, out of which, approximately 14.282 thousand lei for investment projects and investments and 4.111 thousand lei for other fixed assets and spare parts like corporal intangible assets.

The achievement degree of FCN at the end of the year 2014 is of 26,5%.

The reduced achievement degree of the value plan at FCN Pitesti Branch is explained by the award of some amounts for the year 2014 associated to the investments objectives, which have not been spent, among which we mention:

- „Modernization of fuel bundles fabrication line in order to optimize the fabrication flow and to improve the finite product quality”
- There have been recorded delays in the development of the purchasing procedures, reason for which the contracts signing has taken place towards the end of the year 2014 (e.g. the positions „Cars platform restoring and access alleys”, respectively „Manipulation, weighting and storage system for containers with UO2 powders” having a planned value of 1.400 thousand lei, respectively 1000 thousand lei for the year 2014)
- The annulment of some procedures regarding the equipment purchasing due to the inconsistency of the offered value with the estimated amounts, so that the purchasing of these equipment has been delayed for the year 2015.
- The investments objective „Ventilation and climate for the hall IV’’: the services for the elaboration of the support documentation in order to obtain the Environment Agreement from ANPM, Agreement that conditions the implementation of the investments objective, were not contracting in time. In December 2014 the contract for elaborating the report regarding the environment impact, and for the rest of the necessary documentations (statement, proper evaluation study and evaluation study regarding the impact upon the population) was signed, the contracts signing is going to be finalized during the year 2015.
- „Modernization of the communications infrastructure, the data center arrangement according to the Standard TIA942-1 and implementing some measures for reducing the information security risk” – the purchasing procedure was started in November 2014 and it was in progress towards the end of the year 2014.

3.5. The activity of the subsidiary Cernavoda NPP

The operation activity was conducted without events that might have impact an impact on nuclear safety, upon the own personnel, population and environment. The relationship with the regulators was conducted in compliance with the requirements and conditions in the operation licenses.

In the year 2014 was not registered any operation event to exceed the level 1 on the international scale of the nuclear events, regarding the degrading of the depth defense barriers, impact on the site or at the exterior (indicator 1).

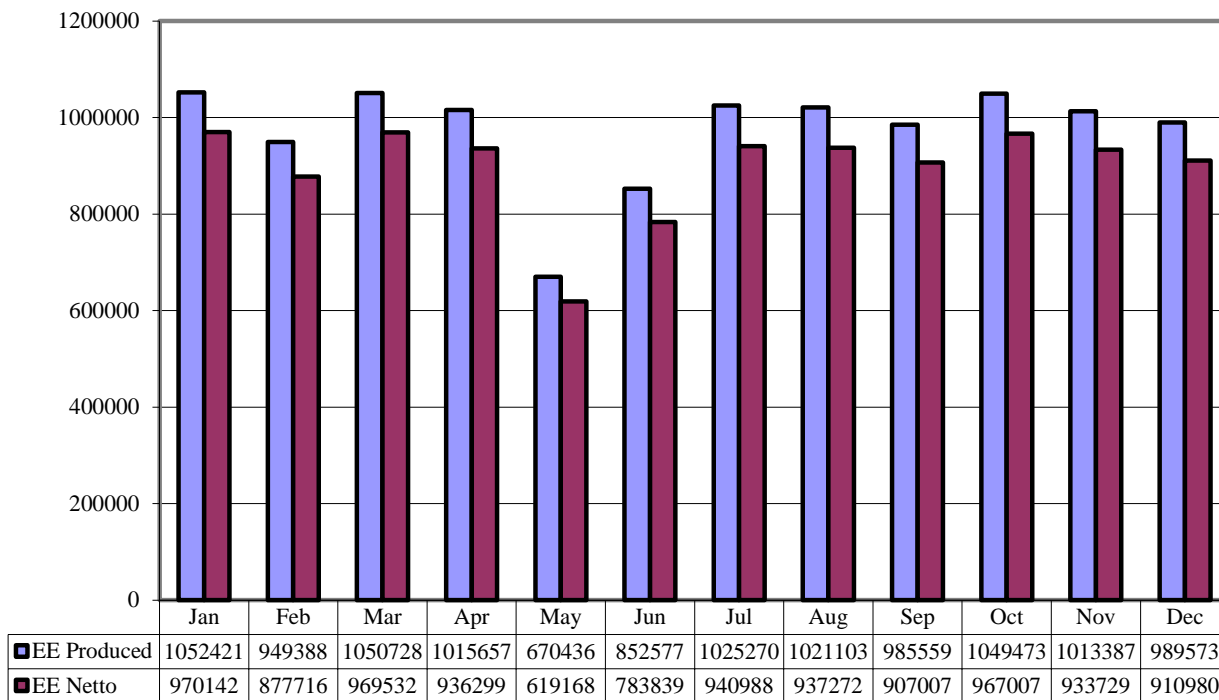
On December 3rd 2014 took place the unplanned outage of Unit 1, controlled, with a duration of 11 hours (0,45 days), and it has happened due to the remedy necessity of the malfunction from generator's excitement cooling system. During the outage, the unit power has reduced to 60% power factor, and the synchronization to the National Energetic System (“SEN”) has also been made on December 3rd 2014.

On December 23rd 2014 took place the unplanned outage of Unit 2, with a duration of 49 hours (2,04 days) and it took place for the remedy the heavy water leaks identified at a pulse line of a differential pressure transducer 2-68334-PT 2J. The synchronization to the SEN took place on December 26th 2014.

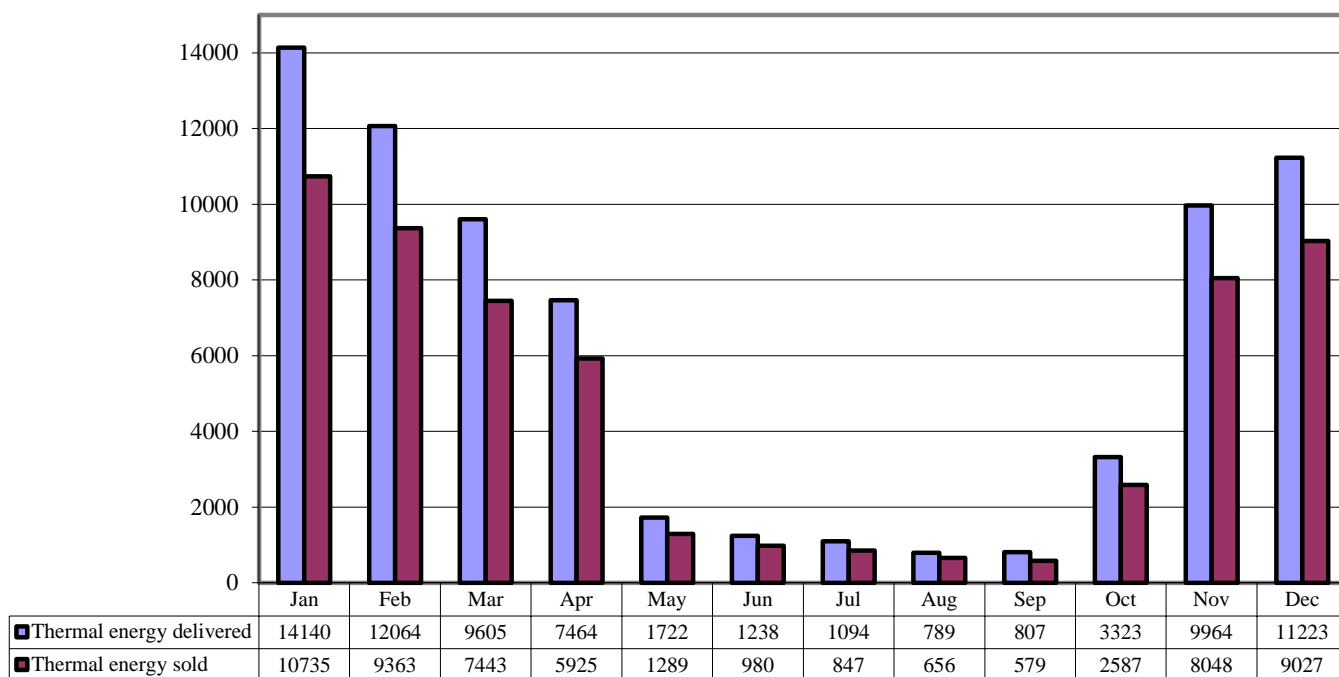
On December 29th 2014 took place the unplanned outage of Unit 1, controlled, with a duration of 6 hours (0,25 days) and it has happened due to the remedy necessity of the malfunction from generator's excitement cooling system. During the outage, the unit power has reduced to 55,5% power factor, and the synchronization to the SEN has also been made on December 29th 2014.

The main production activity indicators are emphasized in the charts bellow.

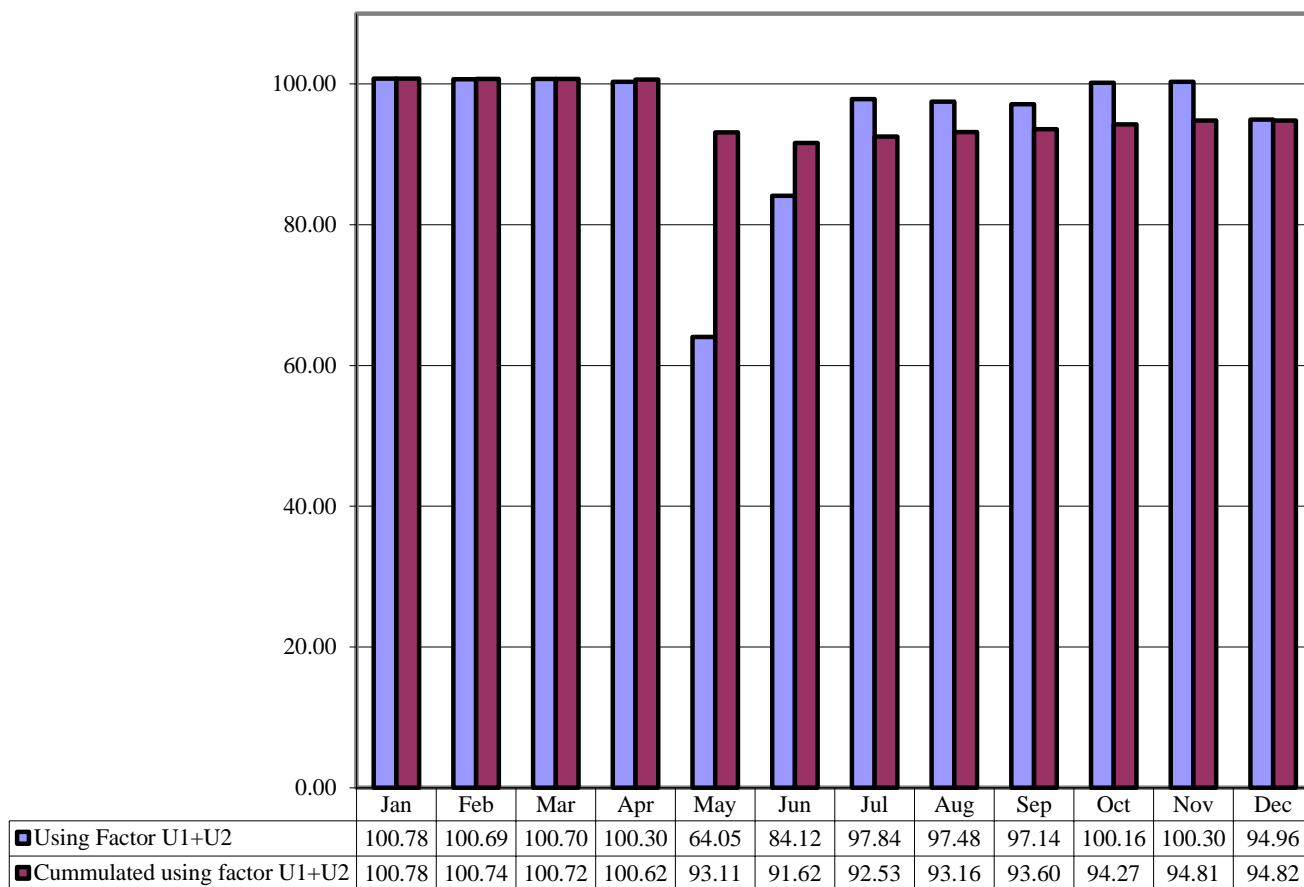
Produced electricity/net U1 + U2 (MWh)
(Produced electricity: 11.675.573 MWh/ Net electricity: 10.753.680 MWh)
(Own cumulated technological consumption 2014: 7,91%)



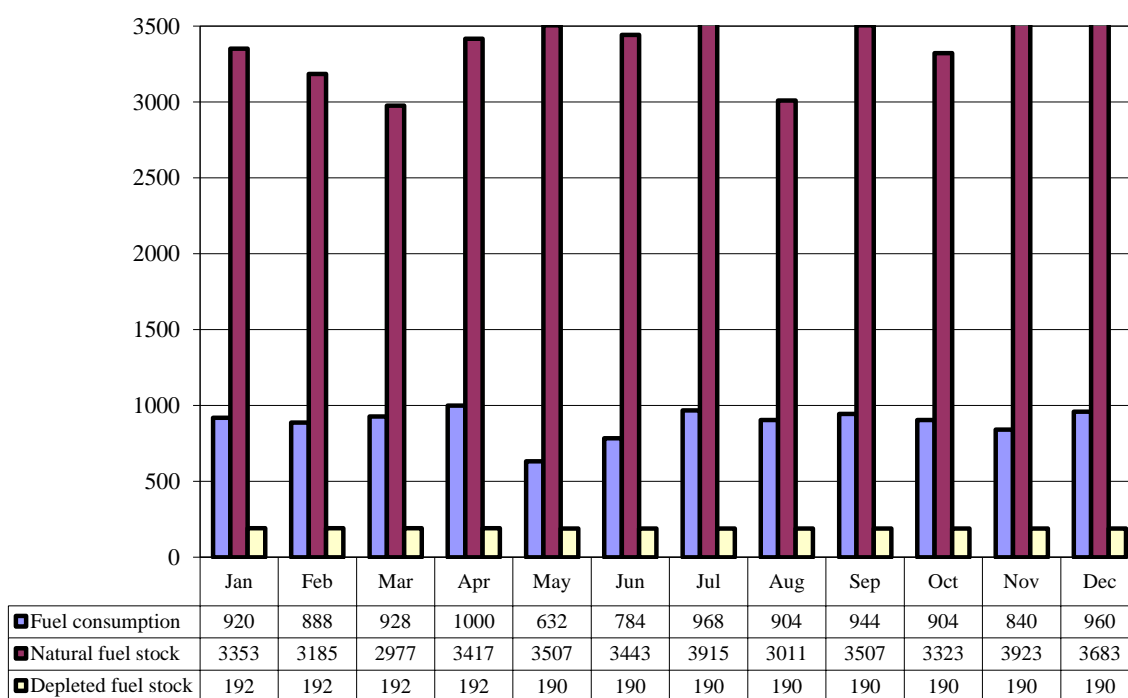
Thermal power delivered to the district heating system / sold (Gcal)
(Delivered thermal power: 73.432 Gcal/ Sold thermal power: 37.818 Gcal)



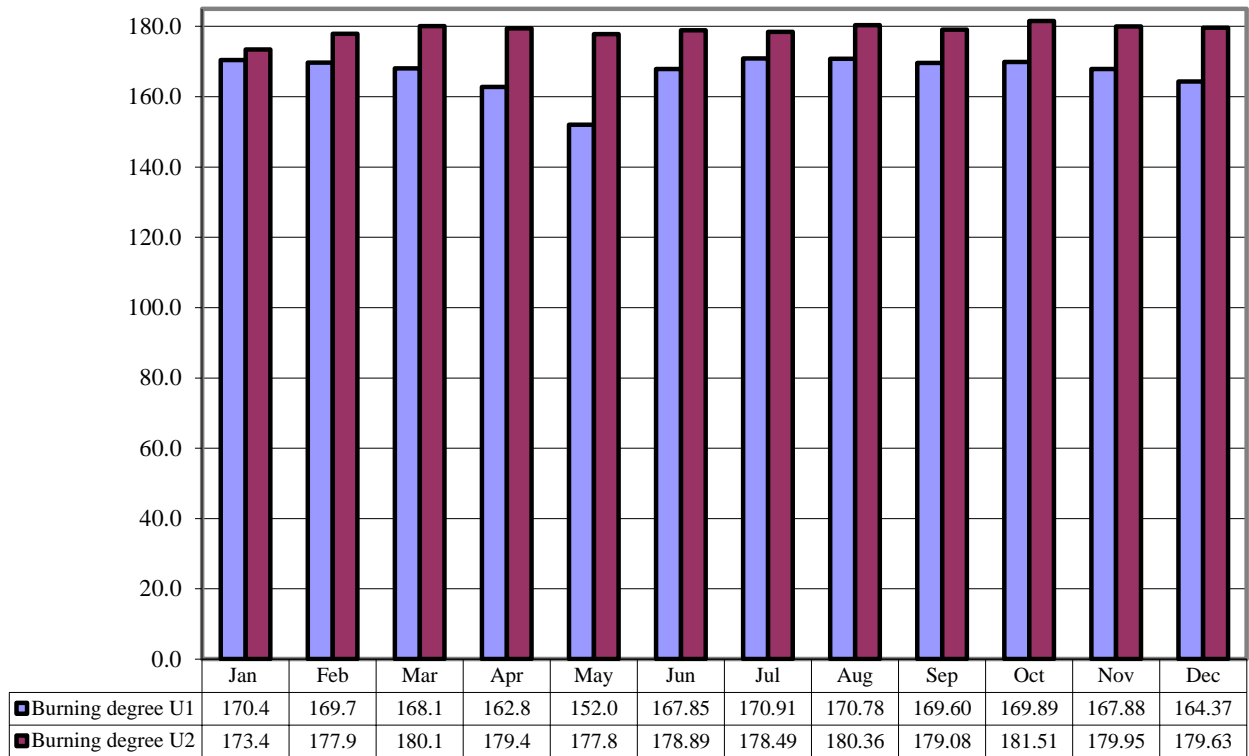
Installed capacity using factor U1 + U2 (%)
(Cumulated 2014: 94,82%)



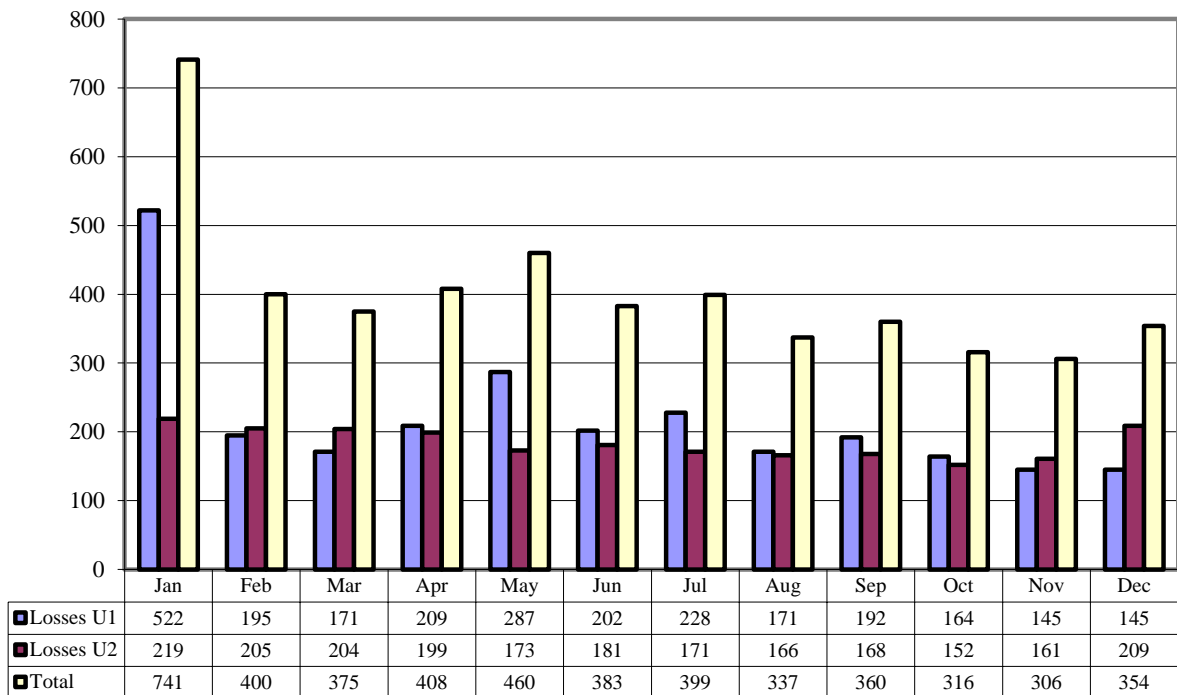
Fuel consumption U1 + U2/ Fuel inventory (bundles)
(Cumulated consumption 2014: 10.672)



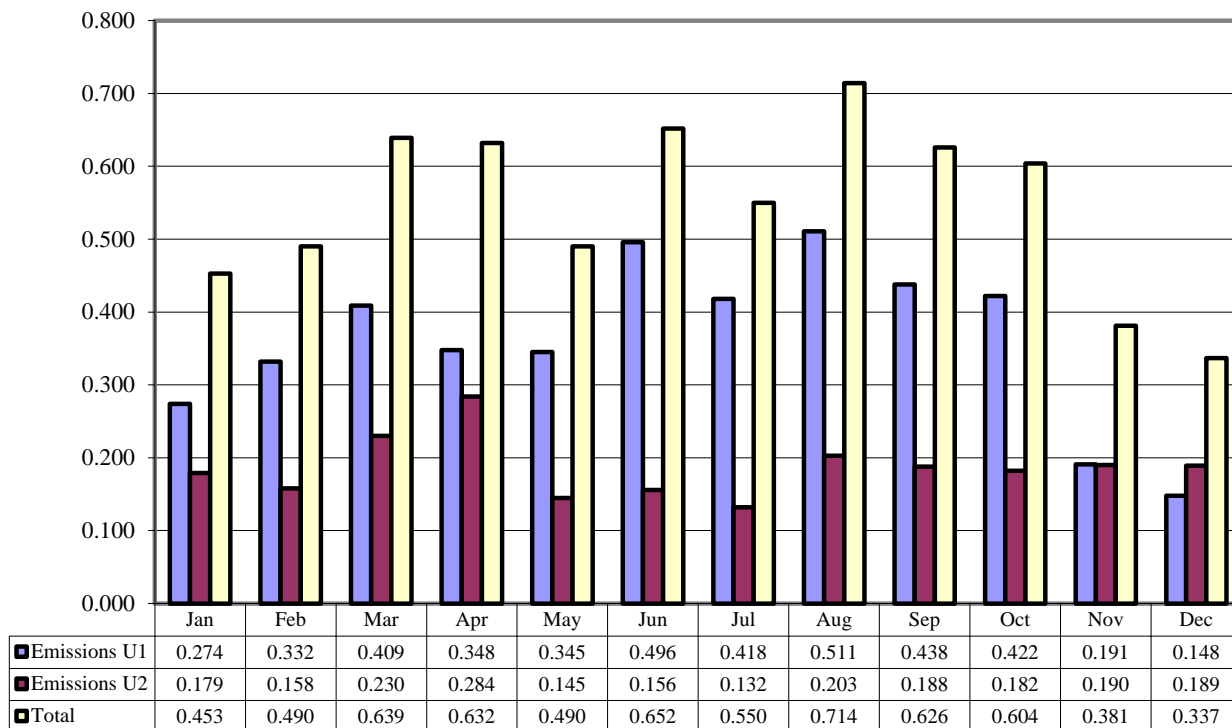
Nuclear fuel burnup factor (MWh/KgU)
 (Cumulated 2014: 173,20 /Project provided: min. 156,00)



Heavy water losses U1+U2 (Kg)
 (Cumulated 2014: 4.839 / Estimated 2014: max. 6.800)



U1/U2 radioactive emissions volume in the environment (μSv)
 (Total 2014: 6,57 / Annual limit: 18,00)



3.6. The activity of FCN Pitesti Branch

In the year 2014, FCN produced 10.428 nuclear fuel bundles, according to the production plan. Thus, in the first quarter of 2014 have been controlled and accepted 3.254 nuclear fuel bundles, in the second quarter of 2014 have been controlled and accepted 2.579 nuclear fuel bundles, in the third quarter 2014 have been controlled and accepted 2.330 nuclear fuel bundles, all of them according to the specifications, and in the fourth quarter 2014 have been controlled and accepted 2.265 nuclear fuel bundles.

By comparison to the similar period of 2013, the production of nuclear fuel bundles decreased with 3,4% (from 10.800 pieces in the year 2013, to 10.428 pieces in the year 2014).

In the year 2014, FCN delivered to Cernavoda NPP a quantity of 10.800 nuclear fuel bundles, complying with the agreed delivery schedule: 2.160 nuclear fuel bundles delivered in the first quarter, 2.880 nuclear fuel bundles delivered in the second quarter of 2014, 2.880 nuclear fuel bundles delivered in the third quarter of 2014 and, respectively 2.880 nuclear fuel bundles delivered in the fourth quarter of 2014.

The price of the sintered uranium powder increased from 441,83 lei/kg in the first quarter of 2013 to 460 lei/kg in the first quarter of 2014 and 475 lei/kg in the second, third and fourth quarters of 2014. The current purchasing price of 475 lei/kg is slightly lower than the average purchasing price of the year 2013.

4. OTHER SIGNIFICANT ASPECTS

4.1. Company share capital increase

Based on the Resolution elaborated by the Extraordinary General Meeting of the Shareholders, number 8/6.10.2014, the increase of the share capital of SNN with a monetary contribution in a total maximum amount of 239.172.630 lei was approved, from the current amount of 2.817.827.560 lei to the amount of 3.057.000.190 lei, by issuing a maximum number of 23.917.263 new shares, nominative, dematerialized, at the price of 10 lei/share, equal to the nominal value (without the issuing premium) out of which:

(i) 19.437.670 new shares in amount of 194.376.700 lei representing the cash contribution of the Romanian State through the Ministry of Economy - Energy Department, respectively the value of the budget allocations for the period 2006-2009 for the construction of Unit 2 and for financing the works to on Units 3-5 from Cernavoda NPP;

(ii) Maximum 4.479.593 new shares in amount of 44.795.930 lei will be offered, while exercising the preference right, for subscription in exchange for the monetary contribution of the Romanian State through the Economy Ministry-Energy Department, the other shareholders of SNN, respectively the persons that are shareholders at the Registration Date, in order to keep the participation quotas held within SNN at the Registration Date.

The Prospectus for the share capital increase was approved by the Board of Directors of SNN through the resolution no. 174/02.12.2014 and by the Financial Supervisory Authority ("ASF") through the resolution no. 2246/23.12.2014.

4.2. The status of the activities related to the transfer of heavy water to the state reserve

During the development of the actual separation procedure, RAAN –ROMAG – PROD Subsidiary has identified a series of inconsistencies at some reservoirs containing heavy water, which determined the reprocessing of the heavy water contained in these reservoirs in order to maintain the quality parameters within the boundaries imposed through the tender documents.

On 12.09.2014, RAAN- ROMAG –PROD Subsidiary informed that the actual separation of the heavy water was completed. During 25-26.09.2014, following the information letter issued by RAAN –ROMAG PROD Subsidiary, the representatives of SNN together with the representatives of the National Administration of the State Reserves and Special Issues – Territorial Unit 515 (ANRSPS – UT 515), have verified on the platform the heavy water inventory according to situations issued following the heavy water transfer protocol for the actual separation.

On 27.11.2014, the representatives of SNN, ANRSPS –UT 515 and RAAN, present on the ROMAG-PROD platform, concluded the delivery-receiving report for the quantity of 786.715,78 kg of heavy water. By signing the report, there is certified the free transfer of the quantity of 786.715,78 kg of heavy water, from the patrimony of the National Company Nuclearelectrica S.A., in the patrimony of the National Administration of the State Reserves and Special Issues, according to the provisions of GEO no. 56/2013.

4.3. The project for the Units 3 and 4 of Cernavoda NPP

The strategy of the continuation of the project for the Units 3 and 4 of Cernavoda NPP ("Project") by organizing an investments selection procedure ("Strategy") was approved by the Romanian Government through the Memorandum from July 31st 2014 and by the Extraordinary General Meeting of the Shareholders of SNN from August 22nd 2014.

The strategy stipulates the establishment of a new joint venture for the purpose of art. 50 from the Law no. 137/2002, between SNN and a private investor, selected, respectively a Project Company ("Joint Venture" or "JV"), to which is going to be transferred the amount invested by SNN in the S.C. EnergoNuclear S.A. ("EN") Subsidiary. JV represents the company previous to the IPP company (Independent Power Producer – IPP), established for a duration of 2 years, duration that can be modified with the parties agreement, in order to verify under the current conditions the project feasibility, assets evaluation and taking the final investment decision for passing to the implementing stage of the Project, respectively the IPP stage.

On August 27th 2014, was started the investors selection procedure for executing the Project for the Units 3 and 4 of Cernavoda NPP, according to the Project Continuation Strategy approved in AGEA SNN from 22.08.2014. According to the instructions regarding the investors' qualification process, on 08.09.2014, SNN received the Qualification Documentation submitted by the Chinese company China General Nuclear Power Corporation (CGN). Following the analysis of the qualification documentation by the Negotiation Commission, the Administration Council and the Inter-ministerial Committee, the company CGN has been declared qualified investor.

On October 15th 2014, the company CGN was designated selected investor for the project development for the Units 3 and 4 of Cernavoda NPP ("Project") and on October 17th 2014 was signed the Common Letter regarding the Project Execution Intention.

The investor selection has considered the analysis of the Intention Documentation (investor expertise in similar projects, financial capacity and the adhering degree of the Qualified Investor to the Memorandum regarding the implementing of the Project submitted by SNN and to the Strategy). On October 17th 2014, CGN submitted the Extended Bank Guarantee Letter.

According to the Estimative Calendar for implementing the updated Project, the stages that are going to be realized for the Project development are the following:

- Negotiation and signing of the Memorandum of Understanding regarding the common implementing of the Project
- Negotiation of the Memorandum of Association and of the Investors Agreement of the new Project Company.

On October 24th 2014, the Negotiation Committee advised and the Board of Directors of SNN approved the Memorandum of Understanding project regarding the common implementing of the Project. The Memorandum of Understanding project was transmitted to CGN on October 24th 2014. Regarding the MoU project, CGN has transmitted modification proposals. Some of them need the analysis and promotion of some support measures by the Romanian Government.

After finalizing the negotiations with CGN, the Memorandum of Understanding regarding the common implementing of the Project will be submitted for advising to the Board of Directors of SNN and for approval to the Inter-ministerial Committee, respectively to the General Meeting of the Shareholders SNN.

4.4. Designation of a new auditor

In the context that, at the beginning of the year 2014, KMPG Advisory (China) Ltd has been designated as financial consultant of China General Nuclear Power Corporation („CGN”), regarding the assets related to the Units 3 and 4 of Cernavoda NPP, as well as the ones of EnergoNuclear („EN”), the auditor agreed along with SNN, in June 2014, the suspension of the contract no. 1438 till the designation of a new auditor, in order to avoid a possible conflict of interests.

SNN has started a procurement procedure, through open auction, for the selection of the financial auditor, publishing for this in the SEAP, on 24.09.2014, the participation announcement and the related documentation

Upon the offers evaluation process by the commission appointed by SNN, the offer with the lowest price has been declared winner, namely the offer of the company Baker Tilly Klitou and Partners SRL, in amount of 87.341 EUR, over an estimated amount of 155.000 EUR for a contract duration of 3 years.

Through the Resolution of the Ordinary General Meeting of the Company from 18.12.2014 was approved the resigning of the financial auditor KPMG Audit SRL following the termination of the audit contract with the parties agreement and, respectively, the designation of Baker Tilly Klitou and Partners SRL, having the registered office in Bucharest, sector 5, Splaiul Independentei no. 52, Ground floor, Office 1, Order Number at the Trade Register J/40/5434/2003, Sole Registration Code 15381680, legally represented by Mamas Koutsoyiannis – General manager, as financial auditor of the Company and the establishment of the financial audit contract duration for 3 years.

4.5. Litigation with a significant shareholder

S.C. Fondul Proprietatea S.A. has registered at Bucharest Court of Law the Presidential Order petition, making the object of the file no. 50510/3/2014, petition through which is requested the execution suspension of the Resolution issued by the Extraordinary Meeting of the Shareholders (“AGEA”) no. 8/6.10.2014 until the final solving of the action, by annulment. The annulment action of the decision AGEA no. 8/6.10.2014 makes the object of the file no. 40046/3/2014 registered by S.C. Fondul Proprietatea S.A. at Bucharest Court of Law.

4.6. Major litigations

The situation of the major litigations (in amount of over 500.000 lei) and of the monetary unevaluated ones in progress on 31.12.2014 is presented in **Appendix 4**.

5. THE MAIN ECONOMIC FINANCIAL INDICATORS ON 31.12.2014

The company performance is reflected in the accomplishment of the main economic financial indicators, as follows:

Ratio ^{*)}	Formula	M.U.	Result on 31.12.2014
1. The current liquidity ration	Current assets/Current liabilities	x	3,85
2. The indebtness degree ratio			
2.1. The indebtness degree indicator (1)	Long term liabilities/ shareholder’s Equity x 100	%	22,7%
2.1. The indebtness degree indicator (2)	Borrowed capital/ Engaged capital x 100	%	18,5%
3. Receivables turnover ratio - clients	Clients average balance/ Turnover x 270	days	19
4. Assets rotation ratio *)	Turnover/ Non-current assets	x	0,22

*) based on the audited individual annual financial statements

6. THE ACCOMPLISHMENT DEGREE OF THE PERFORMANCE INDICATORS

Following the approval of the Budget for revenues and expenses of SNN through GD no. 413/20.05.2014, the Board of Directors of SNN, through the Resolution no. 71 from 02.06.2014, approved the updating of the Appendix 1.1 of the administration contracts concluded between the administrators and the company, comprising the updating of the indicators and performance criteria and their breakdown by quarters for the year in progress 2014, according to the budget of revenues and expenses for the year 2014, and the updating of the Appendix 1 of the administration contracts concluded between the administrators and the company, comprising the updating of the indicators and performance criteria for the year 2014.

The performance indicators established in the administration contracts of the Board of Directors members were accomplished in a proportion of over 100%, as results from the Appendix 5.

Regarding the accomplishment degree of the annual value investments plan according to the Table 37 (note: from the administration plan) and annual budgets, for determining the fulfillment degree of the value investments plan there are considered only the investments mentioned in Table 37 from the administration plan.

The accomplishment degree of the indicators and performance criteria on 31.12.2014 is the following:

Administration contract/mandate	Accomplishment degree of the indicators and performance criteria
Board of Directors	175,27%
General Manager	139,72%
Cernavoda NPP Branch manager	150,32%
Financial manager	139,72%

Board of Directors
Alexandru Sandulescu
President

Appendix 1 – Financial position as at 31.12.2014

	31 December 2014	31 December 2013
Assets		
Non-current assets		
Tangible assets	7.789.583.632	8.057.978.024
Intangible assets	94.558.653	97.856.793
Financial investments	141.686.201	123.718.616
Total non-current assets	8.025.828.486	8.279.553.433
Current assets		
Inventories	397.665.497	386.303.320
Profit tax to be recovered	-	-
Trade and other receivables	240.118.861	197.044.598
Payments made in advance	18.546.205	10.865.840
Bank deposits	31.442.715	704.525.705
Cash and cash equivalents	1.152.298.625	739.280.253
Subtotal current assets	1.840.071.903	2.038.019.716
Assets to be transferred	-	1.382.640.479
Total current assets	1.840.071.903	3.420.660.195
Total assets	9.865.900.389	11.700.213.628
Equity and liabilities		
Equity		
Share capital, out of which:	3.013.330.303	3.013.330.303
<i>Subscribed and paid in share capital</i>	<i>2.817.827.560</i>	<i>2.817.827.560</i>
<i>Inflation adjustments to the share capital</i>	<i>195.502.743</i>	<i>195.502.743</i>
Share premiums	31.474.149	31.474.149
Reserve for payments in advance to the share capital	217.820.977	215.930.237
Revaluation reserve	313.405.061	337.713.566
Reported result	3.912.224.643	4.099.989.096
Total own equity	7.488.255.133	7.698.437.351
Liabilities		
Non-current liabilities		
Long term borrowings	1.496.191.642	1.675.427.622
Long term advance incomes	172.135.939	186.480.601
Deferred tax liability	197.598.967	208.285.414
Obligations regarding employees benefits	33.267.120	26.207.527
Total long term liabilities	1.899.193.668	2.096.401.164
Current liabilities		
Trading and other liabilities	244.366.147	242.958.936
Due profit tax	4.495.676	34.982.603
Short term advance incomes	24.909.505	32.007.582
Current portion of the long term borrowings	204.680.260	212.785.513
Subtotal current liabilities	478.451.588	522.734.634
Liabilities afferent to the assets transfer	-	1.382.640.479
Total current liabilities	478.451.588	1.905.375.113
Total liabilities	2.377.645.256	4.001.776.277
Total equity and liabilities	9.865.900.389	11.700.213.628

Appendix 2 – Profit and loss account for the year ended on 31.12.2014

	2014	2013
Incomes		
Incomes from electric power sales	1.685.350.384	1.829.187.376
Incomes from electric power transport	109.272.960	103.315.662
Total incomes	1.794.623.344	1.932.503.038
Other incomes	19.629.242	126.519.371
Operating expenses		
Depreciation and amortization	(425.873.117)	(433.001.182)
Personnel expenses	(298.622.905)	(297.954.270)
Cost of traded electricity	(29.499.135)	(77.327.618)
Repairing and maintenance	(130.414.701)	(142.249.661)
Electricity transmission expenses	(109.272.960)	(103.315.661)
Costs with spare parts	(24.748.712)	(28.528.015)
Cost of uranium fuel	(134.241.709)	(113.396.395)
Other operating expenses	(486.370.170)	(402.153.592)
Total operating expenses	(1.639.043.409)	(1.597.926.394)
Operating result	175.209.177	461.096.015
Finance costs	(117.836.207)	(172.420.214)
Finance income	96.953.834	229.014.401
Net finance income	(20.882.373)	56.594.186
Profit before income tax	154.326.804	517.690.201
Income tax expense	(21.262.149)	(94.298.721)
Net profit for the year	133.064.655	423.391.480

Appendix 3 – Execution of the Revenues and Expenses Budget as at 31.12.2014

- thousand lei-

		INDICATORS	No row	Initially approved budget 2014 HG/AGOA (thousand lei)	Approved rectified budget 2014 CA* (thousand lei)	Achieved 2014 (thousand lei)	% Achieved vs Initial (col.6/col.4)	% Achieved vs Rectified (col.6/col.5)
0	1	2	3	4	5	6	7	8
I.		TOTAL REVENUES (Rd.1=Rd.2+Rd.5+Rd.6)	1	1.822.163	1.911.900	1.909.456	104,8%	99,9%
	1	Operating revenues, out of which:	2	1.746.163	1.816.253	1.812.502	103,8%	99,8%
	a)	Discounts, in compliance with the legal provisions	3	-	-	-	-	-
	b)	Transfers, in compliance with the legal provisions	4	-	-	-	-	-
	2	Finance revenues	5	76.000	95.647	96.954	127,6%	101,4%
	3	Extraordinary revenues	6	-	-	-	-	-
II		TOTAL EXPENSES (Rd.7=Rd.8+Rd.20+Rd.21)	7	1.782.525	1.787.629	1.755.129	98,5%	98,2%
	1	Operating expenses out of which:	8	1.708.061	1.713.165	1.637.293	95,9%	95,6%
	A.	Expenses with goods and services	9	728.616	706.198	661.010	90,7%	93,6%
	B.	Expenses with fees, taxes and assimilated payments	10	218.808	205.948	201.666	92,2%	97,9%
	C.	Personnel expenses, out of which:	11	304.913	304.913	302.561	99,2%	99,2%
	C0	Personnel expenses (Rd.13+Rd.14)	12	218.596	218.401	221.100	101,1%	101,2%
	C1	Salaries	13	211.400	211.400	211.397	100,0%	100,0%
	C2	Bonuses	14	7.196	7.001	9.703	134,8%	138,6%
	C3	Other personnel expenses, out of which:	15	217	412	415	191,4%	100,8%
		Expenses with compensations for early release of personnel	16	-	-	-	-	-
	C4	Expenses afferent to the mandate contract and other management and control authorities, commissions and committees	17	2.828	2.828	2.777	98,2%	98,2%
	C5	Expenses related to the mandate contracts and other managing and control entities, commissions and committees.	18	83.272	83.272	78.269	94,0%	94,0%
	D.	Other operating expenses	19	455.724	496.106	472.056	103,6%	95,2%
	2	Finance expenses	20	74.464	74.464	117.836	158,2%	158,2%
	3	Extraordinary expenses	21	-	-	-	0,0%	0,0%
III		GROSS RESULT (profit / loss)	22	39.638	124.271	154.327	389,3%	124,2%
IV		INCOME TAX	23	11.732	25.273	21.262	181,2%	84,1%
V		PROFIT AFTER INCOME TAX	24	27.906	98.998	133.065	476,8%	134,4%

*) 2014 Revised budget approved through the Resolution of the Board of Directors from 15.09.2014

Appendix 4 – Major litigations of SNN in progress on 31.12.2014, inclusive the non-monetary evaluated ones

No.	File number	Litigation nature / Court of Law	SNN's capacity	Opposing party	Value	Stage	Description	Term
1.	3868/118/2012	Constanta Civil Court of Law	Creditor	S.C. PROCONE X UNIVERSAL S.RL.	Receivable 3.369.886,85 lei	Merits of the case	Insolvency Bankruptcy - simplified procedure	First term after the date of 31.12.2014: 12.01.2015
2.	27406/3/2012	Civil The high court of cassation and justice	Plaintiff Creditor	SC Tinmar Ind S.A.	Admitted penalties for transport delay (TG) and admitted legal interest 1.286.326,78 lei and 18.345,23 lei court costs	Retrial by the Bucharest Court of Appeal	<u>On the case (TB)</u> Partially admits the claim of SNN - Tinmar Ind S.A. is obligated to pay to SNN the amount of 1.230.780,39 lei and 16.423,80 lei court costs. <u>On appeal (CAB)</u> Partially changes the sentence - in addition to the merits of the case, Tinmar Ind S.A. is obligated to pay to SNN the amount of 55.546,39 lei and 555,47 lei court costs. In addition for the merits of the case and 1365,96 lei court costs in appeal. <u>Appeal (ICCJ)</u> Admits the appeal, annuls the decision of Bucharest Court of Appeal and sends the file for retrial to Bucharest Court of Appeal.	Follows to be established an appeal retrial term
3.	2183/115/2010	Civil Caras-Severin Court of Law	Creditor	CET Energoterm Resita S.A.	Receivable 580.974,21 lei	Merits of the case	Insolvency Bankruptcy	19.02.2015
4.	48031/299/2010	Penal District 1 Courthouse	Civil part	Rotaru Ioan, Ispas Gh, Irimie Traian TESS civil liable party	Prejudice 13.493.080,3 lei	Merits of the case	Evidence –corruption frauds – abuse in service There was made the accounting expertise regarding the determination of some prejudices. There was disposed the filling in of the expertise report at the request of DNA.	21.01.2014

SN Nuclearelectrica SA

Board of Directors Report for Q42014

(All amounts are in RON, unless stated otherwise)

5.	35455/3/ 2013	Civil Bucharest Court of Appeal	Defendant	Transelectri ca	Penalties 646.270,87 lei	Appeal	<p>Merits of the case : Partially admits the legal action. Obliges SNN to pay the plaintiff the amount of 10,44 lei as penalties. Rejects the rest of the claims of the plaintiff, as prescribed. Obliges SNN to pay the plaintiff the amount of 1 leu court costs.</p> <p>Appeal : Admits the appeal. Partially annuls the appealed sentence. Rejects the prescription exception as not founded. Sends the case to the same Court for the claims retrial for which has been admitted the prescription exception to the merits of the case. Final.</p>	We are waiting for a term from Bucharest Court of Law merits of the case, retrial
6.	9089/101/ 2013	Civil Mehedinti Court of Law	Creditor	RAAN	Receivable in reorganization plan 5.450.135,91 lei	Trial on the merits of the case	Insolvency SNN has requested the receivable in amount of 7.828.405,48 lei. According to the reorganization plan SNN will receive 5.450.135,91 lei in two years. Curator Tudor & Associates SPRL	22.01.2015
7.	7238/120/ 2012	Civil Dambovita Court of Law	Creditor	Eco Energy	Receivable 2.464.059,64 lei	Trial on the merits of the case	Bankruptcy –simplified procedure	09.02.2015
8.	22456/3/ 2012*	Civil Bucharest Court of Law	Creditor	Hidroelectri ca S.A.	Receivable 70.093.550,47 lei	Trial on the merits of the case	insolvency – reorganization Was concluded an agreement for 24 months with the debtor, according to which it will pay monthly the installments till the receivable settlement. Till the present, it did not executed this obligation.	25.02.2015
9.	3793/2/ 2013	Administrative High Court of Cassation and Justice	Defendant	Greenpeace CEE Romania	Overrules the decision to issue the environment agreement and on the environment agreement regarding the U3-	Appeal	<p>Merits of the case : Admits the exception of lack of object of the second end of the initial petition (cancellation of the environment agreement regarding the project „Continuation of the construction works and completion of U 3 and 4).</p>	The Court of Law is going to establish the term

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					4 Project		Appeal :Overrules the second end of the initial petition to the annulment of the environment agreement regarding the project „ Continuation of the construction works and completion of units 3 and 4 la Cernavoda NPP”, as lacking object. Overrules the rest of the petition, as it was completed by the additional petition, as ungrounded. Resolution 1436/09.05.2014.	
10.	873/1259/2008	Civil Arges Court of Law	Creditor	Heating 2000 SA	Receivable 2.713.986,71 lei	Trial on the merits of the case	Insolvency Bankruptcy	24.03.2015
11.	18770/3/2007	Civil Bucharest Court of Law	Creditor	Condem S.A.	Receivable 2.446.227,08 lei	Trial on the merits of the case	Insolvency Bankruptcy	18.02.2015
12.	11661/3/2014	Civil Bucharest Court of Appeal	Defendant	S.C. Fondul Proprietatea S.A.	Acknowledgemen t of the absolute nullity of the AGEA SNN Resolution no. 1/11.03.2014	Appeal	On the merits of the case: Bucharest Court of Law overrules the petition of Fondul Proprietatea admitting the exception of lack of interest when compared to the object of petition. Appeal: Admits the appeal. Annuls the appealed sentence and sends the cause for retrial to the same court of law. Final. Document: Resolution 1186/2014 08.12.2014	NA
13.	416/2/2014	Administrative Bucharest Court of Appeal	Claimant	The National Energy Regulatory Authority in	Change in regulated tariff through the Decision 3609/2013	Merits of the case	Merits of the case: On 14.10. 2014 was rejected the petition of SNN as ungrounded. With appeal.	Sentence not written.
14.	40046/3/2014	Civil Bucharest Court of	Defendant	Fondul Proprietatea	Acknowledgemen t of the absolute	Merits of the case	Acknowledgement of the absolute nullity of the AGEA Resolution no.	The Court is going to

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		Law			nullity of the AGEA Resolution no. 8/6.10.2014		8/6.10.2014 share capital increase with cash contribution by shares issuing and Court of Law decision mentioning to the Trade Register and mentions radiation base on the annulled AGEA resolution	establish the term
15.	40510/3/2014	Civil Bucharest Court of Law	Defendant	Fondul Proprietatea	Presidential Ordinance	Merits of the case	Presidential Ordinance – application suspension of the AGEA Resolution no. 8/6.10.2014 till the final solving of the file 40046/3/2014 (acknowledgement of the absolute nullity of the AGEA Resolution no. 8/6.10.2014)	21.01.2015
16.	8184/2/2011*	Administrative High Court of Cassation and Justice	Plaintiff	Greenpeace CEE Romania	Environment authorization annulment for FCN Pitesti	Appeal after retrial	Environment authorization annulment for FCN Pitesti	25.02.2015

Appendix 5 – The accomplishment degree of the performance indicators as at 31.12.2014 – the Board of Directors

No	Objective / Performance indicators	MU	Estimated Q III	Actual Q III	Degree of accomplishment (%)	Weight coefficient	Accomplishment degree of the performance indicators col. 5 * col. 6 (%)
0	1	2	3	4	5	6	7
Improvement of the indicators regarding the financial performances of the company							
1	Annual turnover (cumulated since the beginning of the year)	Million RON	1.733,00	1.796,12	103,64%	0,20	20,73%
2	Annual operation profit (cumulated since the beginning of the year)	Million RON	38,00	175,21	461,08%	0,20	92,22%
3	Overdue payments	Thousand RON	23,00	-	100,00%	0,10	10,00%
4	Labor productivity (cumulated since the beginning of the year)	Thousand RON/person	802,00	831,54	103,68%	0,10	10,37%
5	Operating expenses at 1000 lei turnover (cumulated since the beginning of the year)	RON	986,00	912,55	108,05%	0,10	10,80%
Fulfillment of the major investment objectives							
6	Execution of the annual value plan of investments cumulated since the beginning of the year (According to Table 28 and to the annual budgets)	%	90%	85,81%	95,34%	0,15	14,30%
Maintenance of the electricity production capacity above the average level in the industry							
7	Capacity factor (cumulated since the beginning of the year)	%	80%	94,82%	118,53%	0,10	11,85%
Operation of the nuclear units in safe conditions for the personnel, the population, the environment and the production assets							
8	No operation event over the level 1 on the International Nuclear Events Scale, regarding the depth damage of the defense barriers, onsite and off-site impacts		0	0	100,00%	0,05	5,00%
The accomplishment degree of the performance indicators						1,00	175,27%