



**Report date: 14 May 2015**

**Name of the issuing entity: Societatea Nationala NUCLEARELECTRICA S.A.**

**Registered office: 65, Polona street, District 1, Bucharest**

**Phone/fax number: 021-203.82.00 / 021 – 316.94.00**

**Sole Registration Code with the Trade Register Office: 10874881**

**Order number in the Trade Register: J40/7403/1998**

**Subscribed and paid share capital: RON 3.012.210.410**

**Regulated market on which the issued securities are traded: Bucharest Stock Exchange**

**To: Bucharest Stock Exchange**

**Financial Supervisory Authority**

**Ref: Current Report in compliance with the provisions of art. 227, paragraph (1) of the Law no. 297/2004 and the Regulation No. 1/2006 of the Romanian National Securities Commission regarding the issuers and securities operations, as subsequently amended**

### **Important event to be reported:**

**Availability of the Quarterly Report for the period 1 January - 31 March 2015**

Societatea Nationala Nuclearelectrica S.A. (“SNN”) informs its shareholders and investors regarding the availability of the Quarterly Report for the period 1 January – 31 March 2015, prepared in compliance with the provisions of the Law no. 297/2004, art. 227 and of Appendix no. 30 to the CNVM Regulation no. 1/2006, starting with May 14<sup>th</sup>, 2015, as follows:

- In writing, by request, at the company’s headquarters in Bucharest, 65 Polona Street, District 1, Communications and Investors Relations Department.
- Electronically, on the website of the company, in the *Investors Relations section – Financial Statements 2015* ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)).

The Quarterly Report includes:

- The main events in the activity of the company during the reporting period;
- The Individual Interim Condensed Unaudited Financial Statements as at and for the period of three months ended at 31 March 2015, prepared in compliance with OMFP no. 1286/2012, on the basis of the International Accounting Standard 34 “Interim Financial Reporting”, adopted by the European Union;
- The Quarterly Report of the Board of Directors on the administration activity for the period 1 January – 31 March 2015.

### **Main results**

In the three months period ended at 31 March 2015, SNN obtained a net profit of 35.435 thousand lei (+11% y/y), and the EBITDA increased with 24% compared to the same period of the previous year. The compared values have been modified/restated in order to comply with the changes in the accounting policies performed in the current year.

<b>Indicator (thousand lei)*)</b>	<b>March 2015 (unaudited)</b>	<b>March 2014 (unaudited, restated)</b>	<b>Var %</b>
<b>Production (GWh)</b>	2.762	2.817	-2%
Operation revenues	486.431	481.926	1%
Operation expenses	-326.166	-352.480	-7%
<b>EBITDA</b>	<b>160.265</b>	<b>129.446</b>	24%
Depreciation and amortization	-116.042	-110.302	5%
<b>EBIT</b>	<b>44.223</b>	<b>19.145</b>	131%
Net finance Revenues	8.055	36.819	-78%
Net income tax expense	-16.843	-24.064	-30%
<b>Net profit</b>	<b>35.435</b>	<b>31.900</b>	11%

*\*) extract from the individual interim condensed unaudited financial statements as at and for the period of three months ended at 31 March 2015.*

Additional information may be obtained from the Communications and Investors Relations Department, email address: [investor.relations@nuclearelectrica.ro](mailto:investor.relations@nuclearelectrica.ro).

**Daniela Lulache**

**CEO**



## QUARTERLY REPORT

**of the economic and financial activity of S.N. Nuclearelectrica S.A. in compliance with the provisions of Art.227 of the Law No.297/2004 on capital market and the Annex No.30 to the CNVM Regulation No.1/2006 on issuers and operations with securities for the 1<sup>st</sup> Quarter of the financial year 2015**

Report according to:	Art. 227 of the Law no. 297/2004 on capital market and Annex no. 30 to the CNVM Regulation no. 1/2006 for the 1st Quarter of the financial year 2015
Date of report:	May 13 <sup>th</sup> 2015
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/ E-mail:	<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 as at 31.03.2015	3.012.210.410 lei
The regulated market on which the issued securities are traded:	Bucharest Stock Exchange ( <a href="http://www.bvb.ro">www.bvb.ro</a> ), Premium category
The main characteristics of the issued securities:	301.221.041 shares with the nominal value of 10 lei/share, dematerialized, nominative, ordinary, indivisible and equal vote rights and freely negotiable on Bucharest Stock Exchange under SNN symbol starting November 4 <sup>th</sup> 2013
Applicable Accounting Standards:	International Financial Reporting Standards (IFRS) adopted by the European Union (UE) – IFRS-UE, <b><u>interim individual unaudited condensed financial statements</u></b>
Currency of the report:	Romanian Leu (RON) – all amounts are in RON, unless stated otherwise
Reported period:	<b>1<sup>st</sup> Quarter 2015</b>

**TABLE OF CONTENTS**

1. FINANCIAL STATEMENT .....	3
2. SIGNIFICANT EVENTS .....	5
2.3. ECONOMIC FINANCIAL INDICATORS.....	8
3. STATEMENTS AND SIGNATURES.....	8
4. APPENDIXES .....	9

## 1. FINANCIAL STATEMENT

### 1.1. STATEMENT OF INDIVIDUAL FINANCIAL POSITION

	<b>31 March 2015</b>	<b>31 December 2014</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7.709.136.688	7.789.583.632
Intangible assets	90.868.906	94.558.653
Financial instruments	141.686.201	141.686.201
<b>Total non-current assets</b>	<b>7.941.691.795</b>	<b>8.025.828.486</b>
<b>Current assets</b>		
Inventories	383.932.091	397.665.497
Trade and other receivables	174.694.147	240.118.861
Prepayments	27.447.011	18.546.205
Bank deposits	175.931.825	31.442.715
Cash and cash equivalents	1.187.680.773	1.152.298.625
<b>Total current assets</b>	<b>1.949.685.847</b>	<b>1.840.071.903</b>
<b>Total assets</b>	<b>9.891.377.642</b>	<b>9.865.900.389</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital, out of which:	3.207.713.153	3.013.330.303
<i>Subscribed and paid in share capital</i>	<i>3.012.210.410</i>	<i>2.817.827.560</i>
<i>Inflation adjustment to share capital</i>	<i>195.502.743</i>	<i>195.502.743</i>
Share premium	31.474.149	31.474.149
Prepaid share reserve	24.498.784	217.820.977
Revaluation reserve	307.593.076	313.405.061
Retained earnings	3.953.471.964	3.912.224.643
<b>Total shareholders' equity</b>	<b>7.524.751.126</b>	<b>7.488.255.133</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term borrowings	1.461.345.917	1.496.191.642
Deferred income long term	168.549.774	172.135.939
Deferred income tax liability	195.239.180	197.598.967
Employees' benefits	33.267.120	33.267.120
<b>Total non-current liabilities</b>	<b>1.858.401.991</b>	<b>1.899.193.668</b>
<b>Current liabilities</b>		
Accounts payables and other liabilities	255.373.352	244.366.147
Current tax liability	18.202.777	4.495.676
Short term deferred income	27.651.321	24.909.505
Current portion of long term borrowings	206.997.075	204.680.260
<b>Total current liabilities</b>	<b>508.224.525</b>	<b>478.451.588</b>
<b>Total liabilities</b>	<b>2.366.626.516</b>	<b>2.377.645.256</b>
<b>Total equity and liabilities</b>	<b>9.891.377.642</b>	<b>9.865.900.389</b>

## 1.2. INDIVIDUAL PROFIT AND LOSS ACCOUNT FOR 3 MONTHS PERIOD ENDED AS AT MARCH 31<sup>ST</sup> 2015

	3 months period ended as at 31 March 2015 (unaudited)	3 months period ended as at 31 March 2014 (unaudited, restated)
<b>Revenues</b>		
Sales of electricity	440.292.937	433.304.900
Electricity transportation revenues	28.497.774	28.227.966
<b>Total revenues</b>	<b>468.790.711</b>	<b>461.532.866</b>
Other income	17.640.130	20.393.217
<b>Operating expenses</b>		
Depreciation and amortization	(116.041.804)	(110.301.628)
Personnel expenses	(65.118.255)	(68.514.307)
Cost of traded electricity	(6.887.794)	(3.579.992)
Repairs and maintenance	(15.295.853)	(13.154.705)
Electricity transportation expenses	(28.497.774)	(28.227.966)
Costs with spare parts	(3.195.919)	(5.434.906)
Cost of uranium fuel	(42.354.421)	(36.034.089)
Other operating expenses	(164.815.573)	(197.533.925)
<b>Total operating expenses</b>	<b>(442.207.393)</b>	<b>(462.781.517)</b>
<b>Operating result</b>	<b>44.223.448</b>	<b>19.144.566</b>
Finance costs	(33.571.817)	(12.725.899)
Finance income	41.626.695	49.545.192
<b>Net finance cost</b>	<b>8.054.878</b>	<b>36.819.293</b>
<b>Profit before income tax</b>	<b>52.278.326</b>	<b>55.963.859</b>
Income tax expense	(16.842.990)	(24.064.296)
<b>Net profit for the period</b>	<b>35.435.336</b>	<b>31.899.562</b>

## 2. SIGNIFICANT EVENTS

### 2.1. SIGNIFICANT EVENTS DURING THE 1<sup>st</sup> QUARTER OF THE YEAR 2015

#### a) The increase of the company share capital

As per the Decision of the Extraordinary General Shareholders Meeting no.8/06.10.2014, the share capital increase was approved for SNN by cash contribution in amount of maximum 239.172.630 lei, from the current value of 2.817.827.560 lei to the amount of 3.057.000.190 lei, by issuing a maximum 23.917.263 new, nominative and dematerialized shares, at a price of 10 lei/share, equal with the nominal value (without the share premium), out of which:

- (i) 19.437.670 new shares amounting to 194.376.700 lei representing the cash contribution of the Romanian State through the Ministry of Economy- the Department for Energy, namely the amount of budget allocations related to the period between 2006- 2009 for the completion of the Cernavoda NPP's Unit 2 and for financing the works on the Cernavoda NPP's Units 3 -5;
- (ii) A maximum number of 4.479.593 new shares in the amount of 44.795.930 RON will be granted, within the exercise of the pre-emption right, for subscription, in exchange for the cash contribution of the Romanian State through the Ministry of Economy, Department for Energy, to other SNN 's shareholders, namely to persons who have the quality of shareholder on the registration date, in order to maintain the participation quota with respect to the shares held within SNN on the registration date.

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

The offer announcement related to the share capital increase was published on 29.12.2014, and the subscription period took place between 05.01.2015 and 04.02.2015. The shareholders subscribed in the Shareholders' Registry, at the registration date: 22.10.2014 had the right to subscribe and pay shares from this share issue, in proportion with the participation rate in the Company's capital, they owned at the registration date. The subscription price was 10 lei/share, and the offer intermediary was SSIF SWISS CAPITAL.

As per the above mentioned Decision of EGMS, SNN has informed the shareholders and investors that the shares sale offer, related to the share capital increase, was completed on 04.02.2015.

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

The total subscription was of 194.382.850 RON, and the percentage of securities allocated from the total number of publically-offered securities was 81.2730 %. The value of the share capital of SNN, resulted from the share capital increase operation is of 3.012.210.410 lei, fully subscribed and paid by the Company's shareholders, corresponding to a number of 301.221.041 shares.

On 05.03.2015, the Trade Register issued the registration certificate regarding: the share capital, the number of shares and modifications made to legal entities associates and to the list of the natural and legal persons shareholders. Through the resolution no. 415/11.03.2015, the Financial Supervisory Authority has blocked as insurance measure, for a single period of two weeks, the transfer of the package of 19.438.285 shares issued as a consequence of the SNN share capital increase, based on the EGMS resolution from 16.10.2014.

**b) Cernavoda NPP Units 3 and 4 Projects**

During January and February 2015 the negotiation Committee met in order to finalize a common negotiation position of the authorities/institutions involved regarding the proposals of China General Nuclear Corporation (CGN) for the amendment of the Memorandum of Understanding. At the beginning of March 2015, the Interministerial Committee approved the position document proposed by the negotiation Committee and the negotiations regarding the Memorandum of Understanding continued.

As soon as the negotiations regarding the Memorandum of Understanding are completed the document will be submitted to the approval of the Negotiation Committee and to the SNN Board of Directors, respectively for the approval of the Interministerial Committee and the SNN General Meeting of the Shareholders. After signing the Memorandum of Understanding, negotiations will start regarding the Investors Agreement and the Articles of Incorporation for the new project company.

**c) Litigations with the shareholder: Fondul Proprietatea S.A.**

Fondul Proprietatea S.A. has registered at Bucharest Court of Law the presiding's judge order, which makes the object of the file no. 40510/3/2014, requesting the suspension of the execution of the General Extraordinary Meeting of the Shareholders resolution („EGMS”) no. 8/6.10.2014, until the final solving of the action in annulment. On 23.04.2015, Bucharest Court of Law has finally rejected, as ungrounded, the appeal declared by Fondul Proprietatea against the Resolution no. 282/23.01.2015, pronounced by Bucharest Court of Law in the file no. 40510/3/2014. Through that resolution, Bucharest Court of Law has rejected the appeal request – presiding's judge order – which requested the suspension of the effects of the EGMS Resolution, no. 8/06.10.2014.

The action in annulment of the EGMS resolution no. 8/6.10.2014 makes the object of the file no. 40046/3/2014 recorded by Fondul Proprietatea S.A. at Bucharest Court of Law and the first hearing was on 23.02.2015 when the court of law has ordered the postponing of the case until 04.05.2015. On 04.05.2015 the court established the next hearing on 15.06.2015.

**d) Update and approval of the Regulations regarding the organization and unfolding of the General Meeting of Shareholders**

SNN has updated and approved the Regulation regarding the organization and unfolding of the SNN General Meeting of Shareholders through the resolution of the Board of Directors no. 271 from February 20th 2015, consequent to the modifications of the capital market legislation and the update of the SNN Articles of Incorporation.

**e) Enel investment opportunity**

In September 2014, SNN started to analyze the opportunity resulted from the announcement of the potential sale of Enel's operations in Romania.

On 25.02.2015, the consultants of Enel S.p.A. group, Citigroup Global Markets Limited and UniCredit S.p.A., informed SNN regarding the resolution of Enel Group Board of Directors to temporary suspend the sales process of the assets in Romania. Consequently, SNN's interest in this transaction can no longer materialize.



## 2.2. SUBSEQUENT SIGNIFICANT EVENTS AFTER MARCH 31<sup>ST</sup> 2015

### a) Resolutions of the General Meeting of Shareholders

By the Resolution no. 1/29.04.2015 of the Ordinary General Meeting of Shareholders the following were approved:

- (i) The annual individual and consolidated financial statements, as well as the annual report of the SNN's administrators, for the financial year ended on 31 December 2014 and the report on the administration activity for the 4<sup>th</sup> Quarter of 2014;
- (ii) The dividend per share gross value, of 0.30 RON and the initiation date for the dividends payment for the financial year 2014, namely 26 June 2015.

By the Resolution no. 2/29.04.2015 of the Extraordinary General Meeting of Shareholders the following were approved:

- (i) The amendment of the Company's Articles of Incorporation, regarding the new value of the share capital of 3.012.210.410 lei and the structure of SNN's shareholders, as well as the empowerment of the Board of Directors for one year to increase the share capital by issuing new shares in exchange of shareholders' contributions, up to a value of the authorized capital, of 3.016.200.000 lei;
- (ii) The approval of the procurement of legal consultancy, assistance and/or representation services from different law companies, depending on their specialization and the effective needs of the company in terms of legal services, on current and complex problems, in case the competence level and workload exceeds the possibilities of the legal advisors of the company. The procurement of these services will be done by the management of the company, in compliance with the related legal provisions, ensuring the conformity with the governing principles of the procurement legislation. The costs for contracting these services will not exceed 100.000 Euro;
- (iii) The appointment of an authorized valuator by the Trade Registry belonging to the Bucharest Court of Law for the valuation of the land in the area of 3.873,13 sm located in Saligny, Constanta county for which the ownership certificate series M03, number 9462/04.02.2005 was issued, in view of increasing the share capital of Nuclearelectrica, in compliance with the provisions of article 215, of the companies Law number 31/1990, with the subsequent amendments.
- (iv) Amending the destination of the quantity of 75.260,58 kg heavy water for the initial load of Cernavoda NPP units 3 and 4 for current use in the operation of Cernavoda NPP Units 1 and 2, under the condition of issuing a legal document which amends the destination of this quantity of heavy water.

### b) The election of an administrator for the National Company, Nuclearelectrica S.A.

Following the revocation of Mr. Ionel Bucur from his position of administrator at SNN, as per parties' agreement, following to the amendment of art.20 from the Articles of Incorporation of SNN, by the Resolution of the Extraordinary General Meeting of Shareholders no. 6/31.07.2014, a temporary administrator was appointed: Mrs. Ioana Alina Dragan, until the election, by the Ordinary General Meeting of SNN Shareholders, of a new administrator, as per the provisions of GEO no.109/2011.

By the Resolution no. 1/29.04.2015, of the Ordinary General Meeting SNN Shareholders, Mr. Stanescu Nicolae Bogdan Codrut was elected as member in the Board of Directors of SNN. The mandate duration of Mr. Stanescu Nicolae Bogdan Codrut shall be until 25.04.2017.

### c) The planned outage program of Cernavoda NPP Unit 2

On 9 May 2015, 00:00 hrs., Unit 2 of Cernavoda NPP entered the planned outage program which is scheduled to last until 7 June 2015.

The planned shutdowns of Units 1 and 2 of Cernavoda NPP are part of the maintenance program and are carried out once every two years, for each Unit.

## 2.3. ECONOMIC FINANCIAL INDICATORS

Ratio *)	Formula	M.U	Result on 31.03.2015
<b>1. The current liquidity ratio</b>	Current assets/ Current liabilities	x	3,84
<b>2. The indebtness ratio</b>			
<b>2.1. The indebtness ratio (1)</b>	Non-current liabilities/ Equity x 100	%	19,4%
<b>2.1. The indebtness ratio (2)</b>	Long term liabilities/ Capital employed x 100	%	16,3%
<b>3. Accounts receivable turnover</b>	Average accounts receivable balance/ Turnover x 90	days	28
<b>4. Non-current assets turnover **)</b>	Turnover/ Non-current assets	x	0,24

\*) Based on the unaudited individual interim condensed financial statements

\*\*\*) Non-current assets turnover is calculated by annualisation the quarterly turnover (360 days/90days)

## 3. STATEMENTS AND SIGNATURES

Based on the most accurate available information, we confirm that the interim individual unaudited condensed financial statements for the period ended at March 31<sup>st</sup> 2015 elaborated in compliance with the applicable accounting standards (International Accounting Standard 34 – „Intermediary Financial Report”) provide a correct and true image regarding the financial status, financial performance and cash flows for the period ended at March 31<sup>st</sup> 2015 and that this report, drafted as per provisions of Art. 227, Law no. 297/2004, regarding the capital market and Appendix no. 30 of the Regulation CNVM no. 1/2006 for the period ended at March 31<sup>st</sup> 2015, includes correct and true information regarding the Company’s development and performance.

**Alexandru SANDULESCU**  
President of the Board of Directors

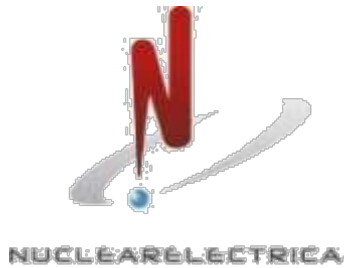
**Daniela Lulache**  
Chief Executive Officer

**Mihai Darie**  
Chief Financial Officer

#### **4. APPENDIXES**

**4.1. THE INTERIM INDIVIDUAL CONDENSED FINANCIAL STATEMENTS as at and for the period ended at March 31<sup>st</sup> 2015**

**4.2. QUARTERLY REPORT of the Board of Directors on the administration activity for the period 01 January – 31 March 2015**



**SN Nuclearelectrica SA**

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

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

**SN Nuclearelectrica SA**

Condensed Individual Financial Position as at 31 March 2015

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

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

*The accompanying notes 1-18 are an integral part of these financial statements*

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

**SN Nuclearelectrica SA**

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

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

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

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

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

**SN Nuclearelectrica SA**

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

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

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

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

**SN Nuclearelectrica SA**

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

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

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

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



**SN Nuclearelectrica SA**

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

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

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

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

**SN Nuclearelectrica SA**

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

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

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

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

## **SN Nuclearelectrica SA**

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

---

### **1. REPORTING ENTITY**

Societatea Nationala Nuclearelectrica SA ("the Company") is a company established in Romania. The Company's head office is located in Bucharest, 65 Polona Street. The main operating location is in Cernavoda, Constanta country, where the Company has two operating nuclear reactors (Nuclear Power Plant Units 1 and 2), two nuclear reactors in incipient construction phase (Units 3-4) and a reactor (Unit 5), for which the company shareholders have approved the destination change. The construction of the Units 3 and 4 was planned to be completed by Energonuclear; currently, there is a new strategy for the continuation of the project of Units 3 and 4, approved by the General Extraordinary Meeting of SNN Shareholders from August 22<sup>nd</sup> 2014 (for more information, see Note 5). The two operational nuclear reactors are based on the CANDU technology (Canada Deuterium Uranium, type PHWR).

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

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

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

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

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

## **SN Nuclearelectrica SA**

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

---

### **2. BASIS OF PREPARATION**

#### **a) Statement of compliance**

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

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

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

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

#### **b) Use of estimates and judgments**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions that have a significant risk of resulting in a material adjustment within the next financial years is included in Note 5 i) (key assumptions relating to the continuance of the project developed by EnergoNuclear).

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

## SN Nuclearelectrica SA

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

*New standards and interpretations in force for the annual periods starting with January 1<sup>st</sup> 2015.*

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

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

#### i. Trade receivables and other liabilities

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

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

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

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

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

#### Condensed individual profit and loss account

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

**SN Nuclearelectrica SA**

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

**Condensed Individual Statement of Cash Flows**

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

**SN Nuclearelectrica SA**

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

**4. PROPERTY, PLANT AND EQUIPMENT**

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

The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version

## **SN Nuclearelectrica SA**

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

---

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

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

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

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

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

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

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

### *The decommissioning of nuclear units*

The nuclear power Unit 1 is scheduled to operate until 2026 and Unit 2 until 2037. The Company did not record provisions for decommissioning of these two units, due to the fact it is not responsible for the decommissioning. According to Government decision no. 1080/5 September 2007, the Nuclear Agency and Radioactive Waste (ANDR) is responsible for collecting the contributions paid by the Company for the remaining useful life of these units and assume the responsibility for the management of the entire decommissioning process at the end of useful lives of the units, and also for the permanent storage of the resulting waste (see Note 14) The company expenses and contributions to ANDR during the three months period ended at March 31<sup>st</sup> 2015 is in amount of 24.220.160 RON (period of three months ended at March 31<sup>st</sup> 2014: 24.220.160 RON).

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*



## **SN Nuclearelectrica SA**

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

---

### *Pledged assets*

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

## **5. FINANCIAL INVESTMENTS**

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

### i) The continuation of the activity of EnergoNuclear

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

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

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

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

**SN Nuclearelectrica SA**

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

**6. INVENTORIES**

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

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

**7. TRADE AND OTHER RECEIVABLES**

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

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

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

**8. CASH AND CASH EQUIVALENTS**

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

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

## SN Nuclearelectrica SA

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

### 9. EQUITY

#### Share capital

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

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

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

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

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

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

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

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

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

## SN Nuclearelectrica SA

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

### Prepaid share reserves

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

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

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

### Reevaluation reserves

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

### Retained earnings

Retained earnings represent the accumulated results of the Company. The retained earnings includes the profit which is distributable based on the financial statements prepared in accordance with the Order of the Minister of Public Finance no. 1286/2012 and related amendments, applicable to companies of whose securities are traded on a regulated market.

## 10. LOANS

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

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

**SN Nuclearelectrica SA**

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

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

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

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

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

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

**11. ACCOUNTS PAYABLE AND OTHER LIABILITIES**

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

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

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

**SN Nuclearelectrica SA**

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

**12. INCOME TAX**

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

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

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

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

*(ii) Quantity of sold energy*

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

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

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

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

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

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*

**SN Nuclearelectrica SA**

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

---

**14. OTHER OPERATING EXPENSES**

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

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

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

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

According to this legislative act, the annual contribution for decommissioning is paid over the projected useful life of both nuclear units, and the direct annual contribution for permanent storage is paid over the operational period of the nuclear units and consequently, ANDR assumes responsibility for managing the entire decommissioning process at the end of the useful life of the nuclear plants and the storage of resulting waste.

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

**SN Nuclearelectrica SA**

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

**15. FINANCE INCOME AND FINANCE COSTS**

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

**16. EARNINGS PER SHARE**

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

*(i) Basic earnings per share*

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

*(i) Diluted earnings per share*

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

The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from



*Romanian which is the official and binding version*

**SN Nuclearelectrica SA**

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

---

**17. CONTINGENCIES AND COMMITMENTS**

**(i) Legal proceedings**

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

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

**(ii) Commitments**

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

**18. SUBSEQUENT EVENTS**

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

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

Daniela Lulache  
Chief Executive Officer

Mihai Darie  
Chief Financial Officer

*The above translation of the financial statements of SN Nuclearelectrica SA is provided as a free translation from Romanian which is the official and binding version*



## **QUARTERLY REPORT**

**of the Board of Directors of S.N. NUCLEARELECTRICA S. A.  
for the period 1st January-31 st March 2015**

**1st Quarter 2015**

The information and the individual interim condensed financial statements presented in this report are not audited and have been prepared in accordance with Ministry of Finance Order no. 1286/2012 based on the International Accounting Standard 34 – “*Interim Financial Reporting*”

**May 2015**

**TABLE OF CONTENTS**

1. FOREWORD .....	3
2. ANALYSIS OF THE FINANCIAL STATEMENTS.....	3
3. OPERATIONAL ACTIVITIES .....	5
3.1. Electricity production .....	5
3.2. Electricity sales .....	6
3.3. Expenses on the energy market .....	7
3.4. Investment program as at 31.03.2015.....	8
3.6. FCN Pitesti Branch activity .....	14
4. OTHER SIGNIFICANT ASPECTS.....	15
4.1. The increase of the company share capital.....	15
4.2. Cernavoda NPP Units 3 and 4 Projects.....	16
4.3. Litigations with the shareholder Fondul Proprietatea S.A. ....	16
4.4. Update and approval of the Regulations regarding the organization and unfolding of the General Meeting of Shareholders.....	16
4.5. Enel investment opportunity .....	16
4.6. Major litigations .....	16
5. THE MAIN ECONOMICAL AND FINANCIAL INDICATORS AS AT 31.03.2015 .....	17
6. DEGREE OF ACCOMPLISHMENT OF PERFORMANCE INDICATORS .....	17
Appendix 1 – Financial position as at 31.03.2015.....	18
Appendix 2 – Profit and loss account for the period ended as at 31.03.2015 .....	18

## 1. FOREWORD

The quarterly report of the administrators for the 1<sup>st</sup> quarter 2015 is prepared in compliance with GEO no. 109/2011 regarding the corporate governance of public companies as subsequently amended and with the Administration Contracts concluded between the administrators and the Company.

## 2. ANALYSIS OF THE FINANCIAL STATEMENTS

The information and the individual interim condensed financial statements presented within the present report are not audited and have been prepared in compliance with OMFP no. 1286/2012 for the approval of the Accounting Regulations in accordance with the International Standards of Financial Reporting and related amendments, applicable to companies whose securities are traded on a regulated market, as well as with the International Accounting Standard 34 – „Interim Financial Reporting”.

The company has applied for the issuing of the present individual interim condensed financial statements the interpretation of IFRIC 21 Levies, which is effective for annual periods beginning on or after 17 June 2014 – according to IFRS-EU. IFRIC 21 is applicable to all levies other than those that are within the scope of other standards (e.g. IAS 12 Income Taxes), to fines and other penalties for breaking the law. The comparative values as at March 31<sup>st</sup> 2014 have been restated according to the presentation requests done for the current year.

### 2.1. Individual statement of the financial position as at 31 March 2015

The financial position as at 31 March 2015 is presented in **Appendix 1**.

Thousand RON	March 2015	December 2014	Variation
Non-current assets	7.941.692	8.025.828	-1%
Current assets	1.949.686	1.840.072	6%
<b>Total assets</b>	<b>9.891.378</b>	<b>9.865.900</b>	<b>0%</b>
Non-current liabilities	1.858.402	1.899.194	-2%
Current liabilities	508.225	478.452	6%
<b>Total liabilities</b>	<b>2.366.627</b>	<b>2.377.645</b>	<b>0%</b>
<b>Shareholder's equity</b>	<b>7.524.751</b>	<b>7.488.255</b>	<b>0%</b>
<b>Total equity and liabilities</b>	<b>9.891.378</b>	<b>9.865.900</b>	<b>0%</b>

The **non-current assets** registered a similar level, as of 31.12.2014. 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 an increase by 6% compared to 31.12.2014, due to the positive influence upon the cash and cash equivalents (increase by 15%), mainly due to the receivables collection and the VAT reimbursements from the months January and February 2015, with a total amount of 40.835 thousand RON. Thus, the receivables have decreased by 27% and the stocks by 3% compared to their levels as of 31.12.2014. The decrease in receivables is due, mainly, to the decrease in other receivables, due to the cash in of the redistributed penalties towards Hidroelectrica, according to the agreed rescheduling plan.

The **non-current liabilities** have decreased due to the 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.

As at 31.03.2015, the increase of the **current liabilities** is due, mainly, to the levies recognition according to IFRIC 21, for special constructions tax, buildings and lands taxes for the year 2015, in amount of approx. 64.813 thousand RON.

According to the Resolution of the EGMS no. 8/06.10.2014, has been approved the increase in SNN's share capital with cash contribution in amount of 194.376.700 RON, representing the cash contribution of the Romanian state, respectively the value of the budget allocations for the period 2006-2009 for the completion of Unit 2 and for financing the works for Cernavoda NPP Units 3-5, this value being presented as at 31.12.2014 in the equity, at the position Reserve for payments in advance to the share capital.

During 05.01.2015 – 04.02.2015, the other shareholders of the company have exercised their preference right and, on 06.02.2015, the company Board of Directors acknowledged and approved the capital increase with the amount of 194.382.850 RON. Consequently, as at 31.03.2015, the reserve for payments in advance to the share capital has been decreased with the increase value of the subscribed and paid share capital.

## 2.2. Profit and loss account for the period ended as at 31 March 2015

During the period of three months ended as at 31.03.2015, SNN recorded a net profit of 35.435 thousand RON.

Thousand RON	March 2015	March 2014	Variation
<b>Production (GWh)</b>	2.762	2.817	-2%
Operating income	486.431	481.926	1%
Operating expenses	-326.166	-352.480	-7%
<b>EBITDA</b>	<b>160.265</b>	<b>129.446</b>	24%
Depreciation and amortization	-116.042	-110.302	5%
<b>EBIT</b>	<b>44.223</b>	<b>19.145</b>	131%
Net finance income	8.055	36.819	-78%
Income tax expenses	-16.843	-24.064	-30%
<b>Profit net</b>	<b>35.435</b>	<b>31.900</b>	11%

The operational profit (EBITDA) has increased by 24% compared to the same period of the previous year, this evolution being the result of the following factors:

- The operating income remained relatively constant compared to the period January-March 2014, with a slight decrease of the total energy quantity produced and delivered. On the regulated market, the energy quantity sold in the 1<sup>st</sup> quarter 2015 decreased by 42% compared to the 1<sup>st</sup> quarter 2014, but this difference was reflected into an increase of 21% for the energy quantity sold on the free market in the same period compared to the 1<sup>st</sup> quarter 2014. This change in sales structure was not reflected into an increase of the income, because, while on the regulated market the energy price has recorded an increase (8% compared to the 1<sup>st</sup> quarter 2014), on the competitive market of bilateral contracts the prices have decreased by 3% compared to the 1<sup>st</sup> quarter 2014.
- The positive evolution of the operating expenses due to the decrease of the tax on special constructions from 1,5% in the year 2014, to 1% for 2015.

The depreciation expenses slightly increased (5% compared to 31.03.2014), due to the commissioning of some investments in the 2nd semester of the year 2014.

The company is exposed to the currency risk against several currencies, among which EUR, CAD and USD. In the 1st quarter 2014, the net currency exchange rate differences (incomes minus expenses from the currency exchange rate differences) have positively influenced the net result of the company, as in the 1st quarter 2015, with a decrease of 78% compared to the same period of the year 2014.

The profit and loss account for the period ended on 31.03.2015 is presented in Appendix 2.

### 2.3. Execution of the Budget of revenues and expenses as at 31.03.2015

The budget of revenues and expenses (“BVC”) proposal for 2015 as well as the explanatory annexes have been submitted to the Ministry of Energy, Small and Medium Sized Enterprises and Business Environment („MEIMMMA”), by letter no. 150623/13.02.2015. Afterwards, this budget proposal was submitted for approval to SNN’s General Shareholders Meeting which took place on April 29<sup>th</sup>, 2015.

The Budget approval procedure is provided under art. 4, paragraph (1), letter a) of the Ordinance no. 26/2013: “The economic operators’ budgets are approved by Government decision [...]”.

Until the date of the current report, SNN’s budget for the year 2015 was not approved by SNN’s General Meeting of Shareholders following that the budget be submitted for approval of a new General Meeting of Shareholders after the budget will be approved by the Government decision; therefore, the budget execution shall be submitted after the approval of the income and expenses budget proposal for 2015.

## 3. OPERATIONAL ACTIVITIES

### 3.1. Electricity production

In the 1<sup>st</sup> quarter of the year 2015, the two units of the Cernavoda NPP produced a quantity of energy of 2.997.101 MWh (brutto) and delivered to the National Energy System 2.761.598 MWh (the difference, namely 235 thousand MWh, is represented by the own consumption of the units during operation, as well as during the unplanned outage of Unit 1).

The electricity production program approved by the Board of Directors of SNN for 2015 was based on a quantity of energy produced and delivered of 2.733.954 MWh and this has been achieved in a percentage of 101,01%.

Compared with the 1<sup>st</sup> quarter of the year 2014, when a quantity of energy of 2.817.423 MWh was produced and delivered to the National Energy System, has been recorded a decrease by 2%.

The gross capacity factors, recorded by the units of Cernavoda NPP in the 1<sup>st</sup> quarter of 2015, as well as cumulatively since in service (Unit 1 on December 2, 1996 and Unit 2 on November 1, 2007) until March 31<sup>st</sup> 2015, were:

	January 2015	February 2015	March 2015	Cumulated Year 2015	Cumulated since the commercial commissioning
Unit 1	101,03%	100,80%	93,13%	98,24%	90,48%
Unit 2	99,86%	99,94%	99,93%	99,91%	94,72%

The installed capacity factor of Unit 1 in March 2015 is influenced by the unplanned outage, which had duration of 50 hours (27-29 March 2015). During this outage, Unit 1 shutdown in a controlled manner for the execution of some precise preventive maintenance works to the systems related to the classic part of the plant.

### 3.2. Electricity sales

The quantities of electricity sold in the 1<sup>st</sup> quarter 2015 and the related revenues, by types of sale contracts are presented in the table below:

#### SNN's electricity sales (quantities, prices and values) in the 1<sup>st</sup> quarter 2015

Sales on types	Quantities in MWh	% of total sales	Price (lei/MWh T <sub>G</sub> included)	Value, (lei)
Regulated contracts	585.427	20,86%	168,96	98.915.346
Sales on the free market (PZU and PI contracts) out of which:	2.208.009	78,68%	166,95	368.637.151
- sales on PCCB, PCCB-NC and supply contracts	1.976.031	70,41%	167,60	331.186.677
- sales on PZU and PI	231.978	8,27%	161,44	37.450.474
Positive PRE imbalances and balancing electricity	13.003	0,46%		184.864
<b>Total sales for 1<sup>st</sup> quarter 2015</b>	<b>2.806.439</b>	<b>100%</b>		<b>467.737.361</b>

Regarding the energy transactions during the 1<sup>st</sup> quarter 2015, the following results were registered:

- The quantity of energy sold based on contracts, on the spot market (PZU – Day Ahead Market and PI – Intra-daily Market) and on the balancing market is of 2.806.439 MWh, with 0,82% over the sales program, of 2.783.623 MWh. The difference between the sold energy and the delivered energy by Cernavoda NPP is represented, mainly, by the energy bought for covering the contractual obligations, for the estimated duration of the unplanned outage, energy quantity that has been purchased from the PZU.
- The income achieved on the energy market related to the energy deliveries from the 1<sup>st</sup> quarter 2015 are of 467.737.361 RON (exceeding by 0,82% compared to the value considered at issuing the BVC proposal for the year 2015 and by 1,60% higher than the outputs from the same period of last year).

The average weighted sales price for the sold quantities of energy (without the balancing market), resulted in the 1<sup>st</sup> quarter 2015, is of 167,38 RON/MWh (including T<sub>G</sub>). In the 1<sup>st</sup> quarter 2014, the average weighted sales price has been of 162,92 RON/MWh.

Except January, the prices on PZU have been, on average, smaller than the prices of the contracts developed by SNN.

SNN energy sales were done, as in the previous periods, based on regulated contracts, on the contracts concluded on the competitive market – attributed through PCCB and PCCB-NC, plus a negotiated supply contract concluded with C.N.T.E.E. Transelectrica S.A., as well as through transactions on the spot market.

The quantities of energy sold based on regulated contracts were in compliance with ANRE Decision no. 2719/15.12.2014. Compared to the year 2014, ANRE reduced the regulated quantities from 35% to 21% of the Cernavoda NPP's planned production for the year 2015. ANRE has established for SNN a regulated price of 158,63 RON/MWh (without T<sub>G</sub>), which partially recognised some justified costs, not recognized in the previous year (50% from the tax on special constructions related to the 1<sup>st</sup> quarter of the year 2014). This value represents an increase of 2,96% of the price established through the ANRE Resolution no. 1408/18.06.2014 applied in the 2<sup>nd</sup> semester 2014, the value of which was of 154,07 RON/MWh (without TG).

For the energy sales on regulated contracts, besides this price the regulated tariff, T<sub>G</sub> is added for the introduction of the energy in the transportation grid, of 10,32 RON/MWh (increased from 10,02 RON/MWh starting with July 2014 through the ANRE Order no.51/26.06.2014).

Out of the effective production of Cernavoda NPP, a percentage of 21,20% has been delivered on regulated contracts, in the 1<sup>st</sup> quarter of 2015.

The quantities of energy sold on the competitive market (bilateral contracts - PCCB) represented, in the 1<sup>st</sup> quarter of the year, 70,4% of the total volume of sold energy. The average sale price on bilateral contracts for the 1<sup>st</sup> quarter of 2015 was of 167,60 RON/MWh, recording a decrease of 2,55% compared to the average price recorded in the 1<sup>st</sup> quarter of 2014, of 171,99 RON/MWh.

During the 1<sup>st</sup> quarter of 2015, SNN concluded 101 energy sale contracts, as follows:

- 6 regulated contracts (with addendums concluded for the year 2015),
- 81 contracts concluded on PCCB;
- 13 contracts concluded on PCCB-NC;
- 1 supply contract (with addendum concluded for the year 2015).

During the 1<sup>st</sup> quarter of 2015, there were no denounced/terminated contracts.

On the spot market, during the 1<sup>st</sup> quarter of 2015, SNN sold a quantity of energy representing 8,27% of the total sales volume, compared to a percentage of 13% registered in the 1<sup>st</sup> quarter 2014. The average sales price of the energy on the spot market achieved by SNN during this period has been of 161,52 RON/MWh (T<sub>G</sub> included), compared to 146,65 RON/MWh registered for the same period of the year 2014.

There were no significant delays compared to the due terms stipulated in the contracts during the 1<sup>st</sup> quarter of 2015.

### **3.3. Expenses on the energy market**

During the 1<sup>st</sup> quarter of 2015, the total value of expenses of SNN on the energy market, as responsibility of SNN, amounted to 35.365.138 RON.

Out of this amount, the taxes for the introduction of the energy in the transportation grid (corresponding to the T<sub>G</sub> – regulated tariff that is paid to C.N.T.E.E. Transelectrica S.A.), the value of the green certificates necessary to be purchased for the supplied energy and the taxes implied by OPCOM for the sale-purchase transactions for the 1<sup>st</sup> quarter, represent 28.587.416 RON.

During the 1<sup>st</sup> quarter of 2015, energy was purchased on the spot market in order to fully cover the contractual obligations, mainly during the unplanned outage from March 2015. Thus, a quantity of 32.836 MWh was purchased at an average price of 119,7 RON/MWh from PZU.

During the 1<sup>st</sup> quarter 2015, expenses in the balancing market amounted to 2.847.671 RON. This amount represents the value of the energy from the balancing market for the compensation of negative unbalances, which occurred due to the differences between the actual quantities of delivered energy and the quantities which were notified on the market as per the contractual obligations for each time frame. The main impact is recorded during March, as a consequence of the unplanned outage of Cernavoda NPP Unit 1.



### 3.4. Investment program as at 31.03.2015

The total value of the investment program of SNN for 2015 is of 292.514 thousand RON. Until the date of this report, the revenues and expenses budget of SNN for 2015 has not been approved by the General Meeting of Shareholders. As a result, the investment program for the year 2015 is in the proposal stage.

The structure of the investment program for the year 2015 is presented in the table below:

No. crt.	Organizational structure	Ongoing investments [thousand RON]	New investments [thousand RON]	Investment net in current assets (modernizations) [mii lei]	Equipments [thousand RON]	Total [thousand RON]	Completion degree as at 31.03.2015 (%)
1	SNN Executiv	13.048	26.138	0	818	40.004	0,7%
2	CNE Cernavoda	187.087	8.558	4.355	30.355	230.355	14,4%
3	FCN Pitesti	2.985	130	8.220	10.821	22.156	1,9%
	<b>TOTAL</b>	<b>203.120</b>	<b>34.826</b>	<b>12.575</b>	<b>41.993</b>	<b>292.514</b>	<b>11,6%</b>

As in the previous years, the greatest weight in the investments program is that of the long term investments (ongoing). This is due to the necessary modernization/refurbishment of certain systems, due to economic reasons (reductions of specific consumptions, improvement of certain process parameters, with positive impact upon the efficiency), legal reasons – the need of implementing certain improvements associated to nuclear safety, environment protection and labor security representing imperative requirements issued by the regulatory authorities in the field (CNCAN and Environment Ministry), as well as for complying to the development needs of the energy sector in Romania.

The comparative situation of the achieved investment (value and percentage) for the year 2015 compared to the year 2014, at the end of the 1<sup>st</sup> quarter, is represented in the table below.

Year	Investment program value [thousand RON]	Achieved during the 1 <sup>st</sup> quarter (1.01-31.03.2015) [thousand RON]	Completion stage for 1 <sup>st</sup> quarter (1.01-31.03.2015) (%)
2015	292.514	33.837	11,6%
2014	296.737	42.044	14,2%

#### *Analysis of the completion stage of the investment program as at 31 March 2015*

##### **SNN Head office**

The principles at the basis of the SNN Head office investment program were the following:

- The contribution SNN within the IPP type company for the completion of the Units 3 and 4 estimated at 8.840 thousand RON (equivalent to 2.000 thousand EUR), according to the SNN EGMS Resolution no. 7/22.08.2014 for approving the continuation strategy of the Project Cernavoda NPP Units 3 and 4;
- SNN participation to the share capital of the company Hidro Tarnita S.A., in amount of 8.900 thousand RON, according to the SNN EGMS Resolution no. 1/11.03.2014, for approving the subscription of a number of 89.000 new issued shares, with a nominal value of 100 RON, shares that will be issued by Hidro Tarnita S.A.;
- ELINI capitalization (European Liability Insurance for Nuclear Industry) – 4.420 thousand RON;
- SNN participation in amount of 8.840 thousand RON to the establishment of the project company „HVDCC Romania – Turcia S.A.”, according to the SNN EGMS Resolution no. 1/11.03.2014 which approved the participation by subscription and payment of the lei equivalent of a number of 2.000 thousand shares with the nominal value of 1 EUR;
- Security project for the informatics and communications systems, in amount of 2.210 thousand RON, in order to create a solid hardware and software structure meant for the management under perfect security conditions, integrity, confidentiality and availability of the information, assuring the efficient operation at high performance levels and according to the labor security standards;

- Implementing of software applications – extension of the functionalities from the ERP complex (Enterprise Resource Planning), in amount of 1.768 thousand RON;
- Within the investments expenses chapter has been provided the amount of 2.100 thousand lei, representing the consolidation of the headquarters in Magheru 33, in case the building landlords make a decision regarding the starting of the consolidation works. The difference of 4.900 thousand RON, representing the share difference for SNN to the execution of the consolidation works at the headquarters in Magheru was provided for 2016;
- The technical-economic and legal study regarding the reorganization of the uranium mining, processing and nuclear fuel production sector with an estimated value of 1.326 thousand RON.

The completion stage for SNN Head office investment program, as at 31.03.2015 is of 0,7%.

### **Cernavoda NPP Branch**

The investment program of the Cernavoda NPP for the year 2015 amounts to 230.355 thousand RON. The completion stage of the investment program at 31.03.2015 is of 14,4%.

Within the investment program of Cernavoda NPP, the most significant investments expenses are:

- The improvement of the nuclear safety systems, as a consequence of the Fukushima incident – 44.794 thousand RON.
- The modification of the excitation system GENEREX from U1 – 47.000 thousand RON;
- The modernization of the physical protection system – 15.040 thousand RON;
- The development of the computers network infrastructure in the technological buildings U1 and U2 – 19.283 thousand RON;
- The purchasing of independent fixes assets, including heavy water – 30.355 thousand RON.

As regards to the major investment objectives such as PJ-05-016 Intermediate Spent 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 safety functions in case of events outside of the design base as a consequence of the nuclear accident that occurred at the Fukushima nuclear power plant, their total value stipulated in the SNN investments program for the year 2015 is in amount of 69.245,7 thousand ron.

The degree of implementation of the major investment objectives as at the end of the 1st quarter 2015, compared to the investments program of the company is of 7,3%, according to the table bellow:

Project code	Project name/ Investment objective	2015		Completion stage
		Planned BVC [thousand RON]	Achieved until 31.03.2015 [thousand RON]	(%)
PJ-05-016	Interim spent fuel storage facility (including SICA U2)	9.411	955	10,1%
PJ-04-001	Upgrading and expansion of the physical protection system	15.040	4.117	27,4%
PJ-11-006	Improvement of the Cernavoda NPP’s response, namely the improvement of the nuclear safety functions in case of events outside the designed base as a consequence of the nuclear accident that occurred at the Fukushima 1 Nuclear Power Plant, Japan	44.794	4	0,0%
	<b>Total</b>	<b>69.245</b>	<b>5.076</b>	<b>7,3%</b>

Considering the fact that during SNN General Ordinary Meeting of the Shareholders on 29.04.2015 the update of appendix 1.1 and appendix 1 to the administration contracts concluded between the administrators and the company was proposed, where the targeted completion stage of the major investments objectives is of 7%, the accomplishment degree is of 104,7% of the provided target.

### **FCN (Nuclear Fuel Plant) Pitesti Branch**

The investments program of FCN Pitesti Branch for the year 2015 is in amount of 22.156 thousand lei.

The investments program of FCN Pitesti has been issued considering the replacement needs of the equipments, installations and of other existent tangible assets. Among the investments that are having a greater weight in the investments program of FCN Pitesti, we mention:

- Hall IV ventilation and air conditioning – amount of 1.024 thousand RON;
- Integrated informatics system for the management of the nuclear fuel production (SIMP) – 1.000 thousand RON;
- Modernization of the fuels bundles fabrication line, in order to optimize the fabrication flow and the improvement of the finite product quality – 5.071 thousand RON;
- Modernization of the communication infrastructure, data center arrangement according to the Standard TIA942-1 and implementation of certain measures for reducing the information security risk – 3.149 thousand RON;
- Equipments – 10.821 thousand RON.

The completion stage at the end of the 1st quarter 2015, for FCN Pitesti Branch, was of 1,9%. The following investments objectives were completed, during the first quarter 2015:

- Ventilation installation for the electric vehicles plant – design and execution
- Refurbishment of the work stations, shuttles, offices, laboratories and bathrooms

### **3.4. The activity of Cernavoda NPP Branch**

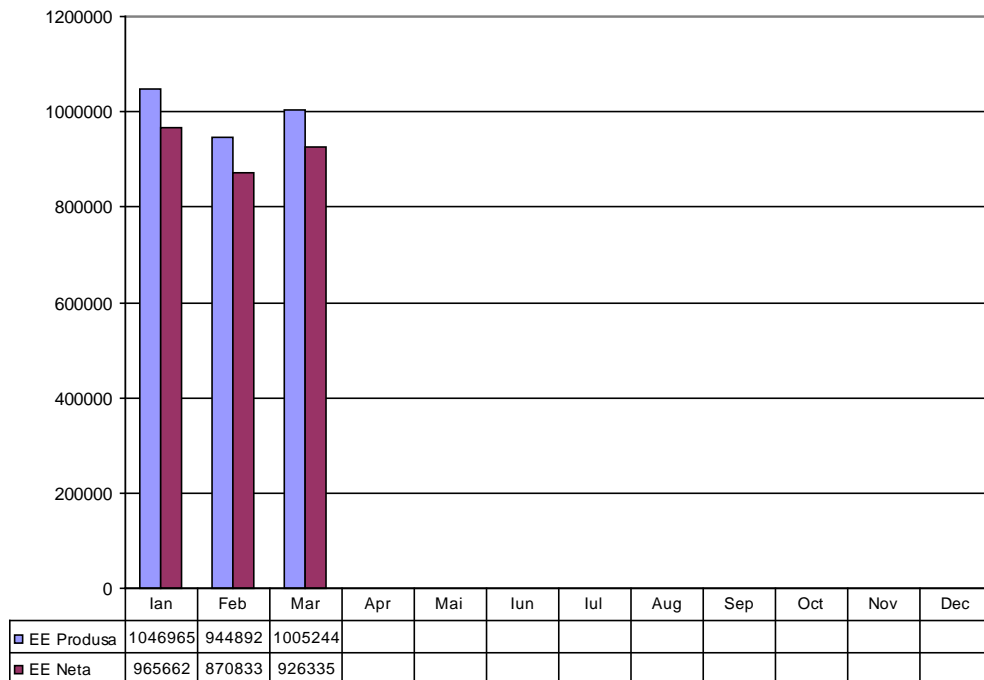
The operation activity was conducted without events with an impact on nuclear safety, personnel, population or environment. The relationship with the regulators was conducted in compliance with the requirements and conditions in the operation licenses.

During the 1<sup>st</sup> quarter of 2015, there were no operation events exceeding level 1 on the international nuclear events scale, regarding the degradation of the in depth barriers, with impact on or off site (indicator 1).

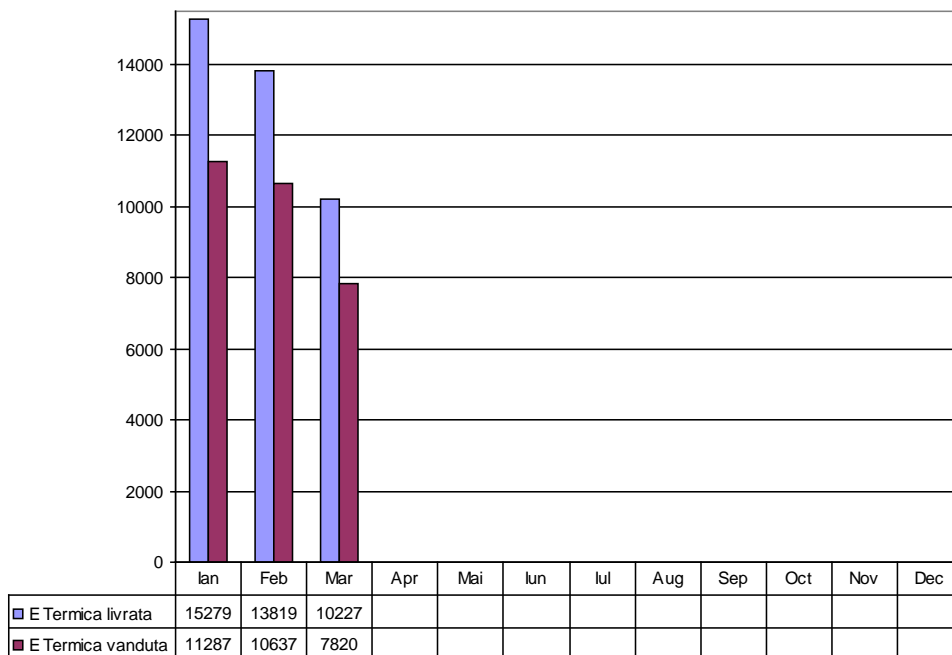
On March 27<sup>th</sup> 2015 Unit 1 has an outage in a controlled manner for a duration of 49 hours (2,04 days). The unplanned outages took place due to the need to remedy the deficiencies noticed to an auxiliary system related to the classical part of the plant. The synchronization to the National Energy System („SEN”) took place on March 29<sup>th</sup> 2015.

The main indicators of the production activity are presented in graphics below:

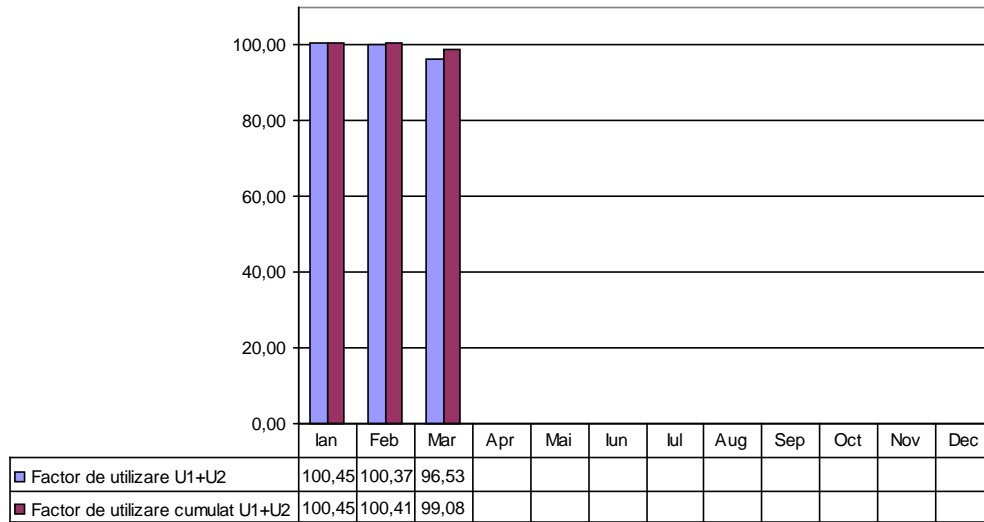
**Produced/net electricity U1 + U2 (MWh)**  
**(Produced electricity: 2.997.101 MWh/ Net electricity: 2.762.830 MWh)**  
**(cumulated technological consumption 2015: 7,82%)**



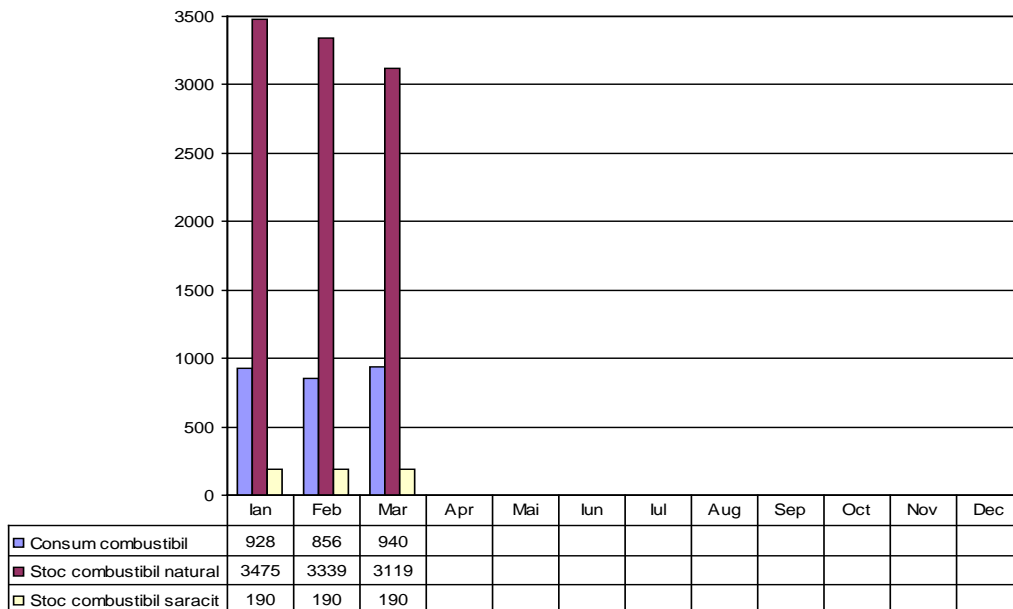
**Thermal power delivered / sold to the district heating system (Gcal)**  
**(Delivered thermal power: 39.324 Gcal / Sold thermal power: 29.744 Gcal)**



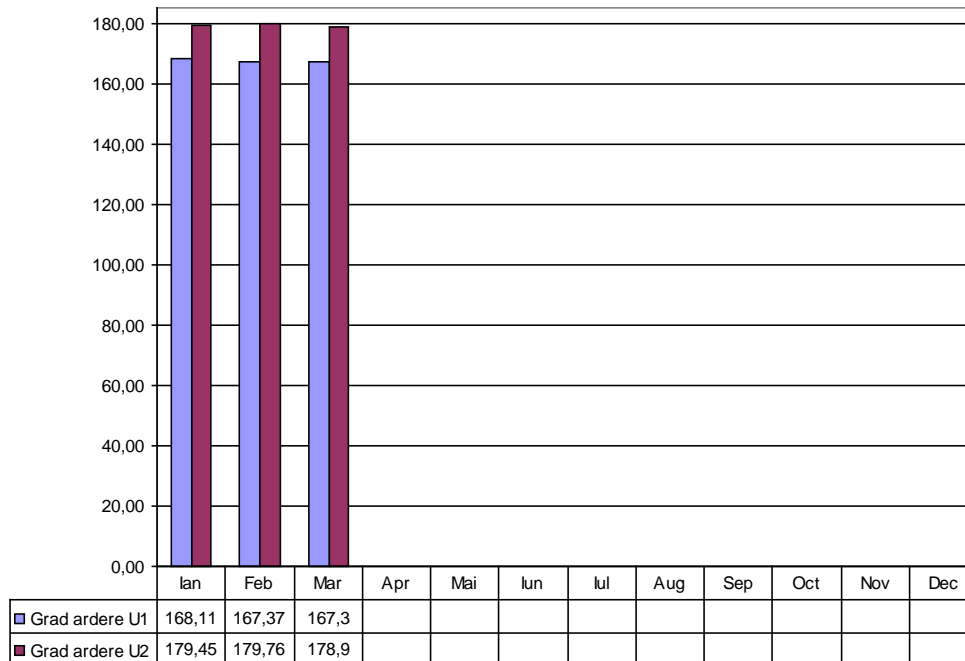
**Installed capacity factor U1 + U2 (%)**  
**(Cumulated 2015: 99,08%)**



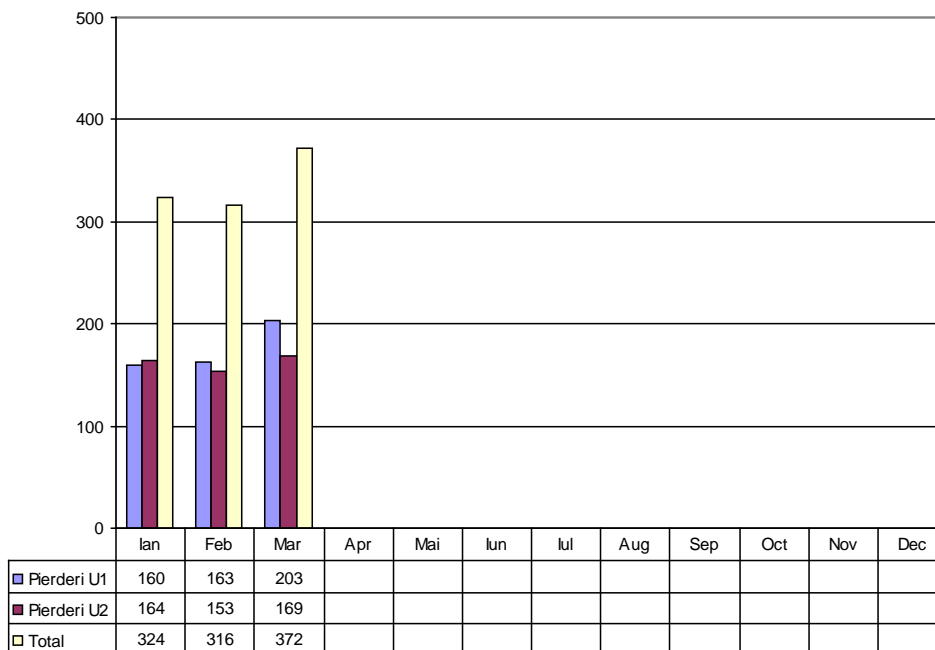
**U1 + U2 fuel consumption / Fuel inventory (bundles)**  
**(Cumulated consumption 2015: 2.724)**



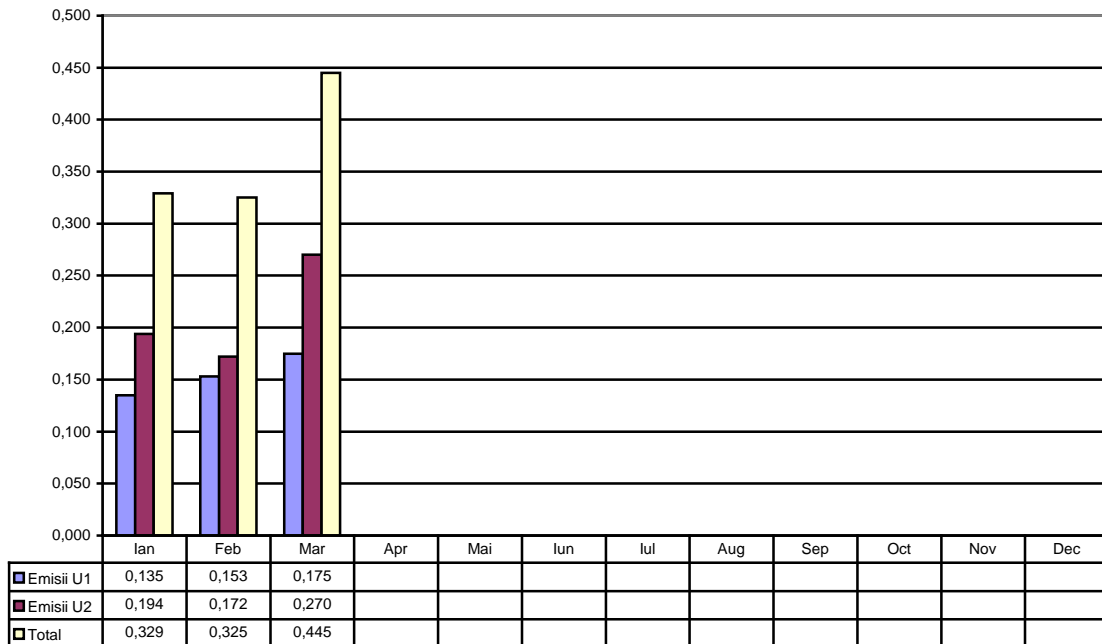
**Fuel burnup factor (MWh/KgU)**  
**(Cumulated 2015: 173,48 / Stipulated in the project: min. 156,00)**



**Heavy water losses U1+U2 (Kg)**  
**(Cumulated 2015: 1.012 / Stipulated 2014: max. 6.800)**



**U1 + U2 radioactive emissions to the environment (µSv)**  
 (Total 2015:1,099/annual limit: 13,00)



**3.6. FCN Pitesti Branch activity**

During the 1<sup>st</sup> quarter of 2015, a number of 3.600 nuclear fuel bundles were manufactured, controlled and accepted, complying with the specifications, as per the manufacturing plan. Compared to the same period of the year 2004, the production of nuclear fuel bundles increased with 10,63 % (from 3.254 bundles, at 31.03.2014, to 3.600 bundles, as at 31.03.2015).

FCN has delivered in the first quarter of 2015 to Cernavodă NPP the quantity of 2.160 nuclear fuel bundles, according to the agreed delivery chart.

The uranium price in sinthered uranium dioxide powder has increased from 460 RON/kg, in the first quarter 2014, to 475 RON/kg, in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2014 and has maintained at the same level in the first quarter of 2015.

## **4. OTHER SIGNIFICANT ASPECTS**

### **4.1. The increase of the company share capital**

As per the Decision of the Extraordinary General Shareholders Meeting no.8/06.10.2014, the share capital increase was approved for SNN by cash contribution in amount of maximum 239.172.630 lei, from the current value of 2.817.827.560 lei to the amount of 3.057.000.190 lei, by issuing a maximum 23.917.263 new, nominative and dematerialized shares, at a price of 10 lei/share, equal with the nominal value (without the share premium), out of which:

- (i) 19.437.670 new shares amounting to 194.376.700 lei representing the cash contribution of the Romanian State through the Ministry of Economy- the Department for Energy, namely the amount of budget allocations related to the period between 2006- 2009 for the completion of the Cernavoda NPP's Unit 2 and for financing the works on the Cernavoda NPP's Units 3 -5;
- (ii) A maximum number of 4.479.593 new shares in the amount of 44.795.930 RON will be granted, within the exercise of the pre-emption right, for subscription, in exchange for the cash contribution of the Romanian State through the Ministry of Economy, Department for Energy, to other SNN 's shareholders, namely to persons who have the quality of shareholder on the registration date, in order to maintain the participation quota with respect to the shares held within SNN on the registration date.

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

The offer announcement related to the share capital increase was published on 29.12.2014, and the subscription period took place between 05.01.2015 and 04.02.2015. The shareholders subscribed in the Shareholders' Registry, at the registration date: 22.10.2014 had the right to subscribe and pay shares from this share issue, in proportion with the participation rate in the Company's capital, they owned at the registration date. The subscription price was 10 lei/share, and the offer intermediary was SSIF SWISS CAPITAL.

As per the above mentioned Decision of EGMS, SNN has informed the shareholders and investors that the shares sale offer, related to the share capital increase, was completed on 04.02.2015.

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

The total subscription was of 194.382.850 RON, and the percentage of securities allocated from the total number of publically-offered securities was 81.2730 %. The value of the share capital of SNN, resulted from the share capital increase operation is of 3.012.210.410 lei, fully subscribed and paid by the Company's shareholders, corresponding to a number of 301.221.041 shares.

On 05.03.2015, the Trade Register issued the registration certificate regarding: the share capital, the number of shares and modifications made to legal entities associates and to the list of the natural and legal persons shareholders. Through the resolution no. 415/11.03.2015, the Financial Supervisory Authority has blocked as insurance measure, for a single period of two weeks, the transfer of the package of 19.438.285 shares issued as a consequence of the SNN share capital increase, based on the EGMS resolution from 16.10.2014.



## **4.2. Cernavoda NPP Units 3 and 4 Projects**

During January and February 2015 the negotiation Committee met in order to finalize a common negotiation position of the authorities/institutions involved regarding the proposals of China General Nuclear Corporation (CGN) for the amendment of the Memorandum of Understanding. At the beginning of March 2015, the Interministerial Committee approved the position document proposed by the negotiation Committee and the negotiations regarding the Memorandum of Understanding continued.

As soon as the negotiations regarding the Memorandum of Understanding are completed the document will be submitted to the approval of the Negotiation Committee and to the SNN Board of Directors, respectively for the approval of the Interministerial Committee and the SNN General Meeting of the Shareholders. After signing the Memorandum of Understanding, negotiations will start regarding the Investors Agreement and the Articles of Incorporation for the new project company.

## **4.3. Litigations with the shareholder Fondul Proprietatea S.A.**

Fondul Proprietatea S.A. has registered at Bucharest Court of Law the presiding's judge order, which makes the object of the file no. 40510/3/2014, requesting the suspension of the execution of the General Extraordinary Meeting of the Shareholders resolution („EGMS”) no. 8/6.10.2014, until the final solving of the action in annulment. On 23.04.2015, Bucharest Court of Law has finally rejected, as ungrounded, the appeal declared by Fondul Proprietatea against the Resolution no. 282/23.01.2015, pronounced by Bucharest Court of Law in the file no. 40510/3/2014. Through that resolution, Bucharest Court of Law has rejected the appeal request – presiding's judge order – which requested the suspension of the effects of the EGMS Resolution, no. 8/06.10.2014.

The action in annulment of the EGMS resolution no. 8/6.10.2014 makes the object of the file no. 40046/3/2014 recorded by S.C. Fondul Proprietatea S.A. at Bucharest Court of Law and the first hearing was on 23.02.2015 when the court of law has ordered the postponing of the case until 04.05.2015. On 04.05.2015 the court established the next hearing on 15.06.2015.

## **4.4. Update and approval of the Regulations regarding the organization and unfolding of the General Meeting of Shareholders**

SNN has updated and approved the Regulation regarding the organization and unfolding of the SNN General Meeting of Shareholders through the resolution of the Board of Directors no. 271 from February 20th 2015, consequent to the modifications of the capital market legislation and the update of the SNN Articles of Incorporation.

## **4.5. Enel investment opportunity**

In September 2014, SNN started to analyze the opportunity resulted from the announcement of the potential sale of Enel's operations in Romania.

On 25.02.2015, the consultants of Enel S.p.A. group, Citigroup Global Markets Limited and UniCredit S.p.A., informed SNN regarding the resolution of Enel Group Board of Directors to temporary suspend the sales process of the assets in Romania. Consequently, SNN's interest in this transaction can no longer materialize.

## **4.6. Major litigations**

The situation of the major litigations (in amount of over 500 thousand RON) and of the ones not evaluated monetarily, in progress on 31.03.2015 is presented in **Appendix 3**.

## 5. THE MAIN ECONOMICAL AND FINANCIAL INDICATORS AS AT 31.03.2015

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

Ratio <sup>*)</sup>	Formula	M.U.	Result on 31.03.2015
<b>1. Current liquidity ratio</b>	Current assets/ Current liabilities	x	3,84
<b>2. Indebtness ratio</b>			
2.1. Indebtness ratio (1)	Non-current liabilities/ Equity x 100	%	19,4%
2.1. Indebtness ratio (2)	Non-current liabilities/ Capital employed x 100	%	16,3%
<b>3. Accounts receivable turnover ratio</b>	Average accounts receivables balance/ Turnover x 90	days	28
<b>4. Non-current assets turnover ratio<sup>**)</sup></b>	Turnover/ Non-current assets	x	0,24

\*) Based on the unaudited individual interim condensed financial statements

\*\*\*) Non-current assets turnover is calculated by annualisation of the quarterly turnover (360 days/90days)

## 6. DEGREE OF ACCOMPLISHMENT OF PERFORMANCE INDICATORS

The performance indicators and criteria included in the mandate contracts of the administrators and directors were established at the middle of 2013 on the basis of the local applicable accounting standards. Starting with the financial year 2013, SNN applied the International Financial Reporting Standards (IFRS).

During the General Meeting of Shareholders of April 29<sup>th</sup>, 2015, the Board of Directors of SNN proposed an update of the Appendix 1 and 1.1. to the mandate contract with the level of indicators and performance criteria for the year 2014 in accordance with the revenues and expenditures budget proposal, appendix which also contains the quarterly break down of the performance indicators and criteria.

The General Meeting of Shareholders did not approve the revenues and expenditures budget of the company for the year 2014 and neither the update of the performance indicators and criteria for the year 2015, thus, currently we are not able to present the degree of accomplishment of the performance indicators and criteria for the first quarter of 2015.

**Board of Directors**  
**Alexandru Sandulescu**  
**President**

**Appendix 1 – Financial position as at 31.03.2015**

	<b>31 March 2015</b> <b>(unaudited)</b>	<b>31 December 2014</b> <b>(audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property plant and equipment	7.709.136.688	7.789.583.632
Intangible assets	90.868.906	94.558.653
Financial instruments	141.686.201	141.686.201
<b>Total non-current assets</b>	<b>7.941.691.795</b>	<b>8.025.828.486</b>
<b>Current assets</b>		
Inventories	383.932.091	397.665.497
Trade and other receivables	174.694.147	240.118.861
Prepayments	27.447.011	18.546.205
Bank deposits	175.931.825	31.442.715
Cash and cash equivalents	1.187.680.773	1.152.298.625
<b>Total current assets</b>	<b>1.949.685.847</b>	<b>1.840.071.903</b>
<b>Total assets</b>	<b>9.891.377.642</b>	<b>9.865.900.389</b>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital, out of which:	3.207.713.153	3.013.330.303
<i>Subscribed and paid in share capital</i>	<i>3.012.210.410</i>	<i>2.817.827.560</i>
<i>Inflation adjustment to share capital</i>	<i>195.502.743</i>	<i>195.502.743</i>
Share premium	31.474.149	31.474.149
Prepaid share reserve	24.498.784	217.820.977
Revaluation reserve	307.593.076	313.405.061
Retained earnings	3.953.471.964	3.912.224.643
<b>Total shareholders' equity</b>	<b>7.524.751.126</b>	<b>7.488.255.133</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long term borrowings	1.461.345.917	1.496.191.642
Deferred income	168.549.774	172.135.939
Deferred tax liability	195.239.180	197.598.967
Employees' benefits	33.267.120	33.267.120
<b>Total non-current liabilities</b>	<b>1.858.401.991</b>	<b>1.899.193.668</b>
<b>Current liabilities</b>		
Accounts payables and other liabilities	255.373.352	244.366.147
Current tax liability	18.202.777	4.495.676
Deferred income	27.651.321	24.909.505
Current portion of long term borrowings	206.997.075	204.680.260
<b>Total current liabilities</b>	<b>508.224.525</b>	<b>478.451.588</b>
<b>Total liabilities</b>	<b>2.366.626.516</b>	<b>2.377.645.256</b>
<b>Total equity and liabilities</b>	<b>9.891.377.642</b>	<b>9.865.900.389</b>

**Appendix 2 – Profit and loss account for the period ended as at 31.03.2015**

**SN Nuclearelectrica SA**Quarterly report of the Board of Directors for the period January 1<sup>st</sup> – March 31<sup>st</sup> 2015*(All amounts are presented in RON, unless otherwise stated)*

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

### Appendix 3 – SNN major litigations as at 31.03.2015 (over 500 thousand lei), inclusive the monetary unevaluated ones

No.	File number	Court of Law	SNN position	Opponent	Object / Value	Current process stage	Previous process stages	Process stage term Hearind
	<b>SNN Executive</b>							
1.	3868/118/2012	Constanta Court of Law	Creditor	PROCONEX UNIVERSAL S.R.L.	Bankruptcy, individual procedure receivables accepted, 3.369.886,85 lei	On the roll		25.05.2015
2.	27406/3/2012	High Court of Cassation and Justice	Claimant Creditor	Tinmar Ind S.A.	Delay penalties, tariff and interest admitted 1.286.326,78 lei and 18.345,23 lei court expenses	Appeal re-judgment at Bucharest Appeal Court	<p><u>Trial on the merits of the case (Bucharest Court of Law):</u> Partially admits the request of SNN – Tinmar Ind S.A. has the obligation to pay the amount of 1.230.780,39 lei and 16.423,80 lei court expenses</p> <p><u>In appeal (Bucharest Appeal Court):</u> partially changes the sentence – more over to the merits of the case, Tinmar Ind S.A. has the obligation to pay SNN the amount of 55.546,39 lei and 555,47 lei court expenses, for the merits of the case and 1.365,96 lei appeal expenses.</p> <p><u>In appeal (High Court of Cassation and Justice)</u> admits the appeal, quashes the decision of Bucharest Appeal Court and the file is sent to Bucharest Appeal Court for being retrial</p>	
3.	2183/115/2010	Caras-Severin Court of Law	Creditor	Cet Energoterm Resita S.A.	Bankruptcy, receivables 580.974,21 lei	On the merits of the case		26.06.2015
4.	48031/299/2010	Sector 1 Court of Law	Civil party	Rotaru Ioan, Ispas Gheorghe, Irimie Traian TESS civil responsible party	Penalties, corruption – abuse in office 13.493.080,3 lei	On the merits of the case		29.04.2015
5.	35455/3/2013	Bucharest Appeal Court	Intimate	Transelectrica	Penalties 646.270,87 lei	Appeal	<p><u>On the merits of the case:</u> Partially admits the action. Obliges SNN to pay the plaintiff the amount of 10,44 lei penalties. Rejects the rest of the plaintiff's claims as prescribed. Obliges SNN to pay the plaintiff the amount of 1 leu court expenses.</p> <p><u>Appeal:</u> Partially admits the appeal. Rejects the prescription exception and sends for retrial to the first Court.</p>	
6.	9089/101/2013	Mehedinti Court of Law	Creditor	RAAN	Insolvency Receivables in plan, reorganization 5.450.135,91 lei	On the merits of the case	SNN requestes receivables in amount of 7.828.405,48 lei. According to the reorganization plan, SNN will receive	23.04.2015

**SN Nuclearelectrica SA**

 Quarterly report of the Board of Directors for the period January 1<sup>st</sup> – March 31<sup>st</sup> 2015

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

							5.450.135,91 lei, in two years.	
7.	7238/120/ 2012	Dambovită Court of Law	Creditor	Eco Energy	Bankruptcy receivables 2.464.059,64 lei	On the merits of the case		11.05.2015
8.	3793/2/2013	High Court of Cassation and Justice	Intimate	Greenpeace CEE Romania	Issuing annulment of the environment agreement. Project of the Units 3-4	Appeal		
9.	873/1259/ 2008	Arges Court of Law	Creditor	Termoficare 2000 SA	Bankruptcy receivables 2.713.986,71 lei	On the merits of the case		24.03.2015
10.	18770/3/2007	Bucharest Court of Law	Creditor	Condem SA	Bankruptcy receivables 2.446.227,08 lei	On the merits of the case		02.09.2015
11.	11661/3/2014	Bucharest Appeal Court	Intimate	Fondul Proprietatea S.A.	Absolute nullity notice of the Resolution AGEA S.N.N. no. 1/11.03.2014	On the merits of the case	Retrail at Bucharest Court of Law	22.05.2015
12.	416/2/2014	Bucharest Appeal Court	Petitioner Claimant	National Regulation Authority in the Energy field	Modification of the regulated tariff through the Resolution 3609/2013	On the merits of the case	Waiting for the sentence writing down	
13.	22456/3/2012*	Bucharest Court of Law	Creditor	Hidroelectrica S.A.	Receivable reorganization 70.093.550,47 lei	On the merits of the case	As per the convention concluded on 17.06.2013 between SNN and Hidroelectrica through the legal administrator and the special administrator, Hidroelectrica is obliged to pay the receivable in the amount of 70.093.550,47 lei in 24 monthly installments starting with July 2013. Currently, the remaining amount is of 5.841.129,27 lei.	10.06.2015
	FCN Pitesti							
14.	544/109/2015	Arges Court of Law	Defendant	Goga Gheorghe	Intellectual property	On the merits of the case		13.05.2015