

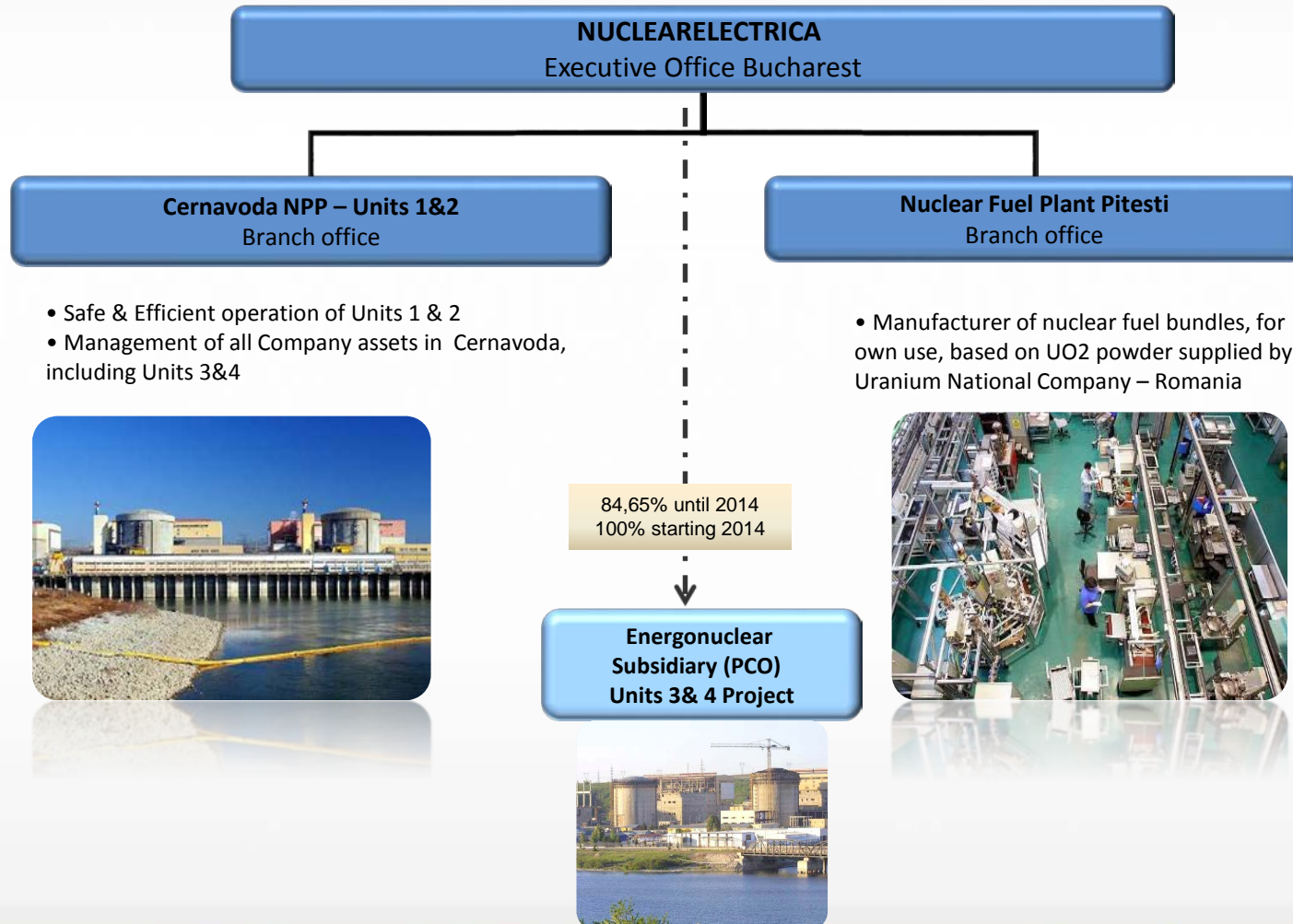
NUCLEARELECTRICA

POWERed by people

Investors Meeting Bucharest, August 14th , 2015

Nuclearelectrica - overview

Company structure



Nuclearelectrica – Shareholder structure

- IPO for a 10% stake (new shares)
- Subscription period: 9-20 September 2013
- Closed book for the institutional tranche
- Oversubscription of 5,6 and 3,7 times for the two retail tranches (small subscription tranche fully subscribed by the end of day 2)
- Deal Value (mn): RON 281,9 (~EUR 62,6)
- Total share capital increase value (mn): RON 312,5 (~EUR 69,4)
- Market Cap Post IPO (mn): RON 3.150 (~EUR 700)



- IPO followed by an allocation rights issue, traded between 4 and 28 October 2013
- Shares listed on the main segment of the Bucharest Stock Exchange (Symbol: SNN) starting 4 November 2013
- Index inclusion starting 2014 (1,99% weight in BET Index, 1,53% weight in BET-XT Index)



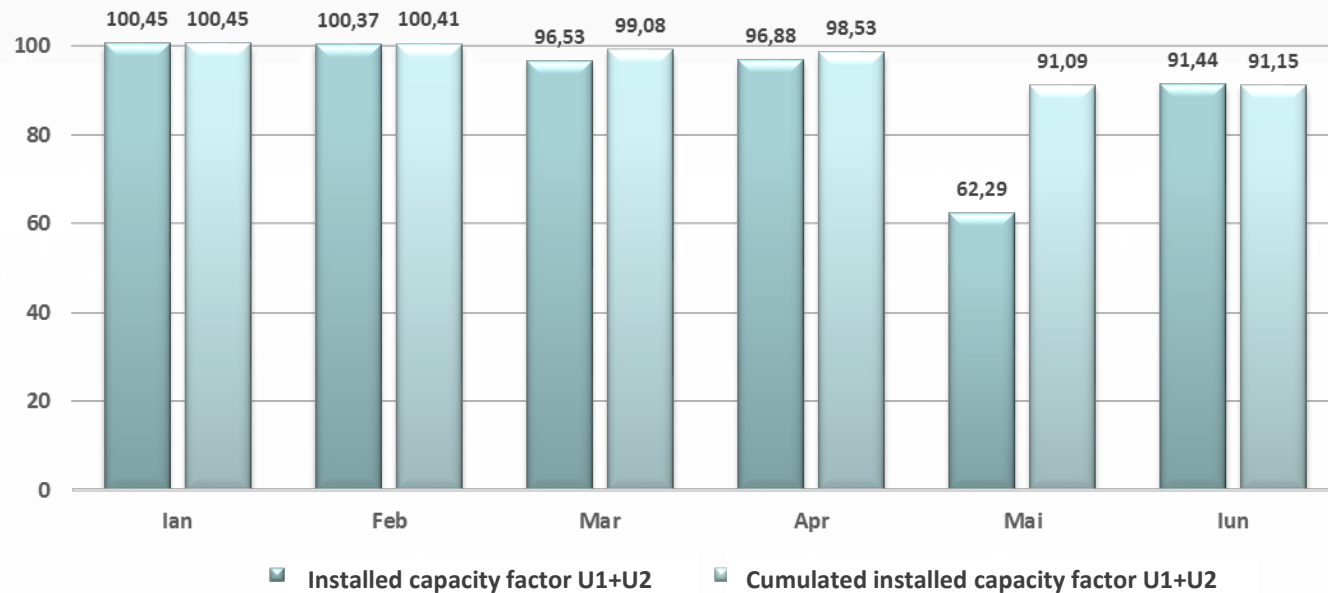
Shareholders	Shares (m)	Percent
Ministry of Energy, Small and Medium sized Enterprises and Business Environment	248,44	82,48%
Fondul Proprietatea	27,40	9,10%
Free float	25,36	8,42%
Total	301,22	100,00%

Shareholders	Shares (m)	Percent
Ministry of Economy	229,00	81,27%
Fondul Proprietatea	27,40	9,73%
Free float	25,40	9,00%
Total	281,80	100,00%

- Share capital increase with 19.438.285 shares out of 23.917.263 offered
- Subscription period: 05.01.2015 – 02.04.2015
- The share capital increase represents the recognition of the contributions from the state budget through allocations during 2006-2009, and 4.479.539 shares offered within the preemption right.
- Percentage of allocations – 81,2730%
- Deal value: 194.382.850 (~EUR 43.196.188)

Shareholders	Shares (m)	Percent
Ministry of Economy	229,00	90,27%
Fondul Proprietatea	24,70	9,73%
Total	253,70	100,00%

CANDU Technology Unit performance



Global ranking (as of September 2014-last update)

Unit capability factor (UCF) since in service to the end of 2013:

- **Unit 2-93,1%** - rank **3rd** worldwide,
 - **Unit 1-89,1%** - rank **16th** worldwide
- out of **399** units pertaining to **173** utilities from **30** countries (as of May 2014).

• With an **UCF of 91,1% since in service**, Romania ranks **1st** in the world

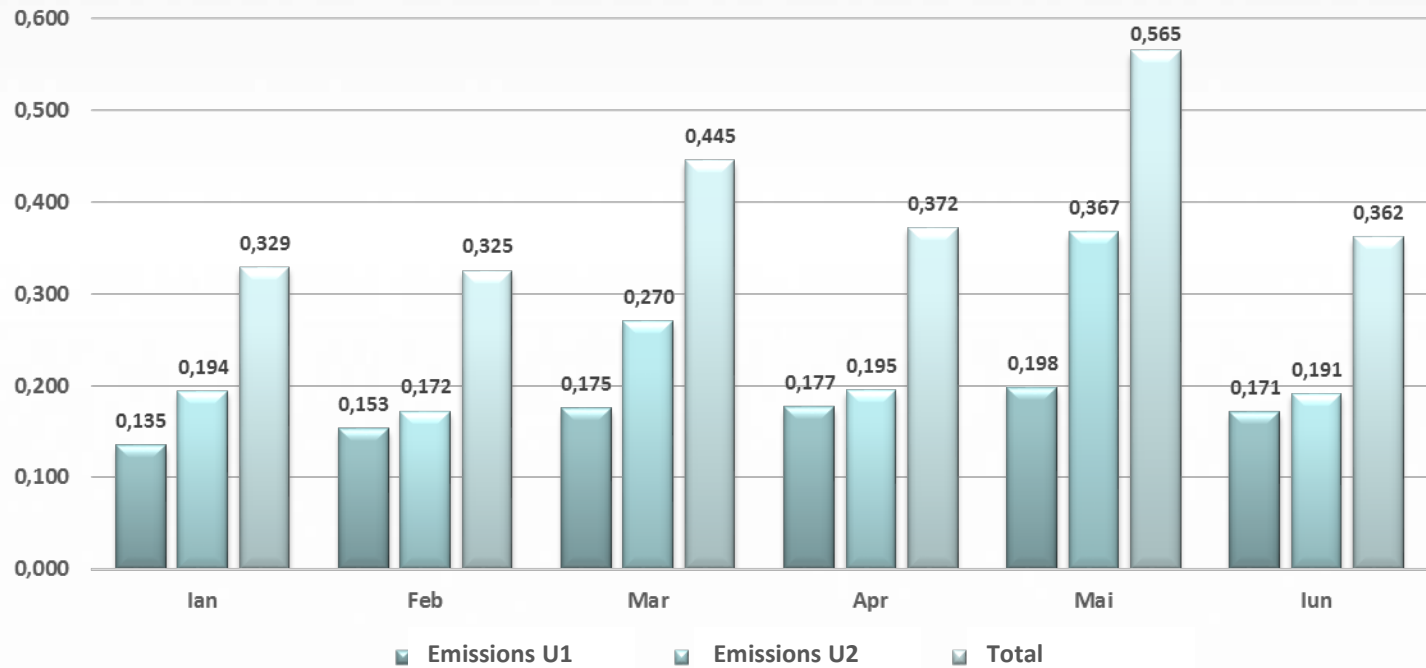
Candu Owner's Group

- Gross Capacity factor in 2014
- **Unit 1 -91,14%** - rank **12th**
- **Unit 2-98,50%** - rank **2nd**

Gross Capacity Factor since in service:

- **Unit 1-90,38%** - rank **7th**
- **Unit 2-94,53%** - rank **2nd**

Radioactive emissions U1+U2 (microSv)

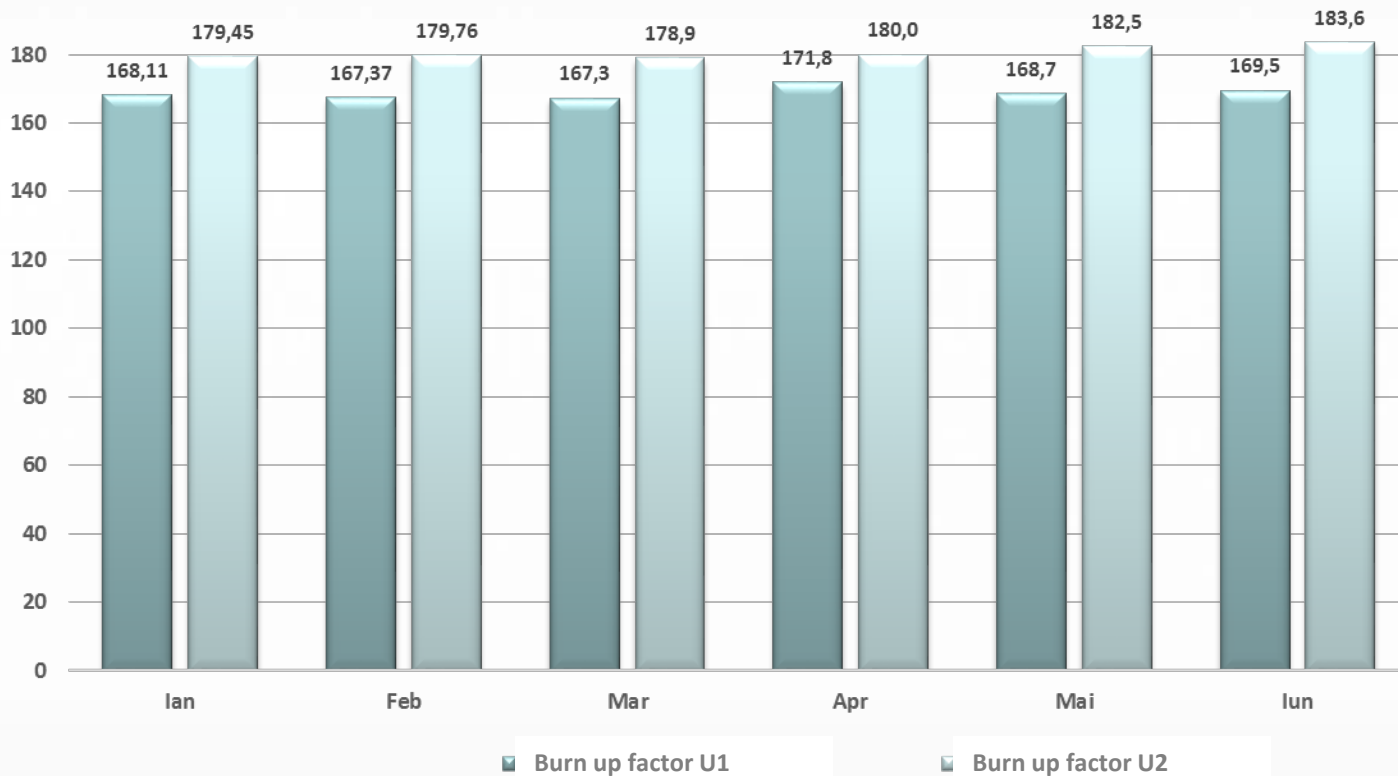


Total 2015:	Annual limit:
2,399	13,00

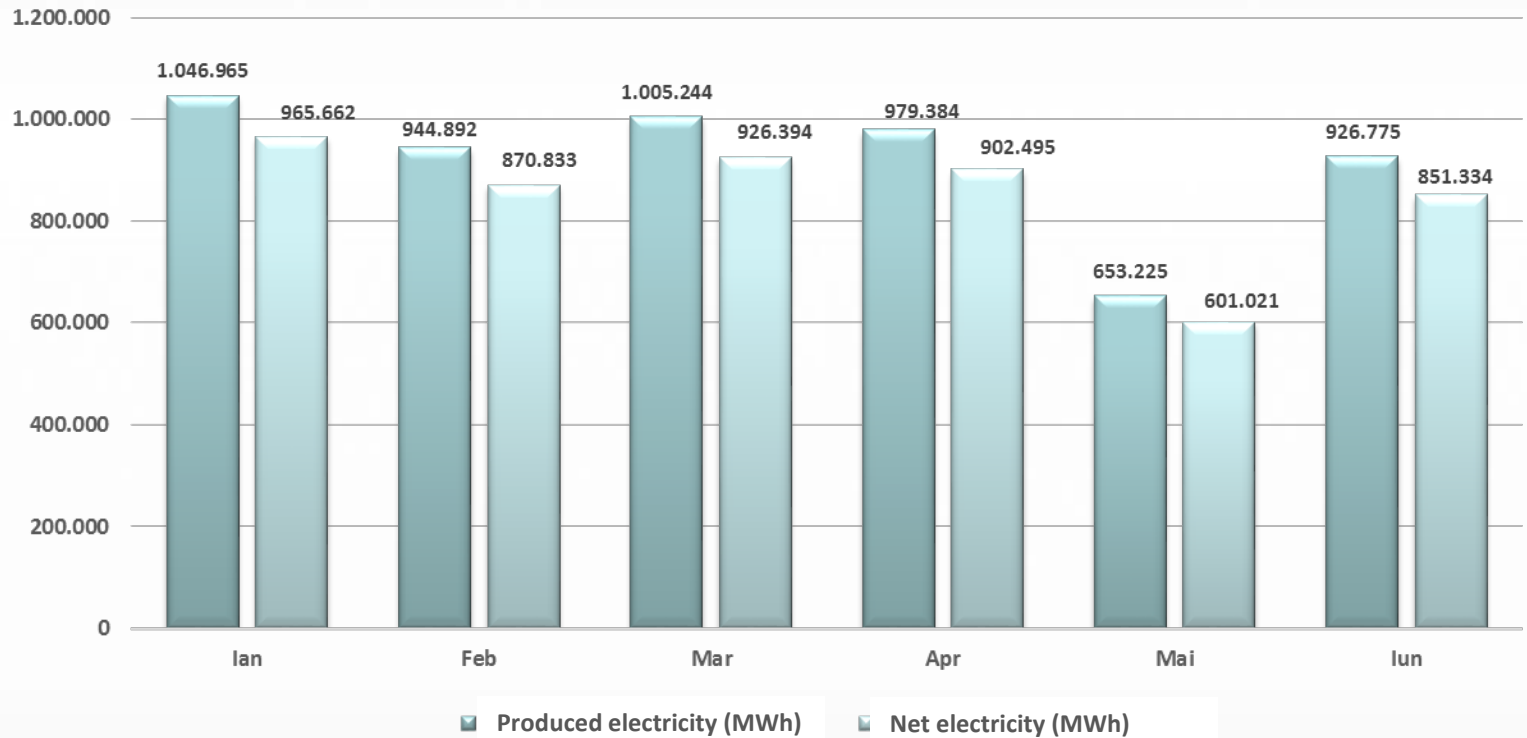
CNCAN authorized limit: 100 microSv/ year/ unit + 50 microSv/ year/ DICA

The legal limit for population (as per the Fundamental Radioprotection Norm NSR01) = 1000 microSv/ year

Nuclear fuel burn up factor (MWh/KgU) (Cumulated 2015: 174,63 /Project estimated: 156,00)



Produced electricity/ net U1 + U2 (MWh)
(Produced electricity: 5.556.484 MWh/ Net electricity: 5.117.739 MWh)
(Cumulated internal technological consumption 2015: 7,89%)



H1 2015 Financial result highlights

RON '000	H1 2015	H1 2014	Var %
Quantity of energy sold (Mwh)	5.179.858	5.181.064	0,0%
Sales of electricity	791.793	783.094	1,1%
Operating expenses	(609.478)	(649.216)	-6,1%
EBITDA	248.913	204.724	21,6%
EBIT	15.072	(17.735)	-185,0%
Net profit	2.902	15.446	-81,2%
Basic EPS (RON/share)	0,01	0,05	
Diluted EPS (RON/share)	0,01	0,05	

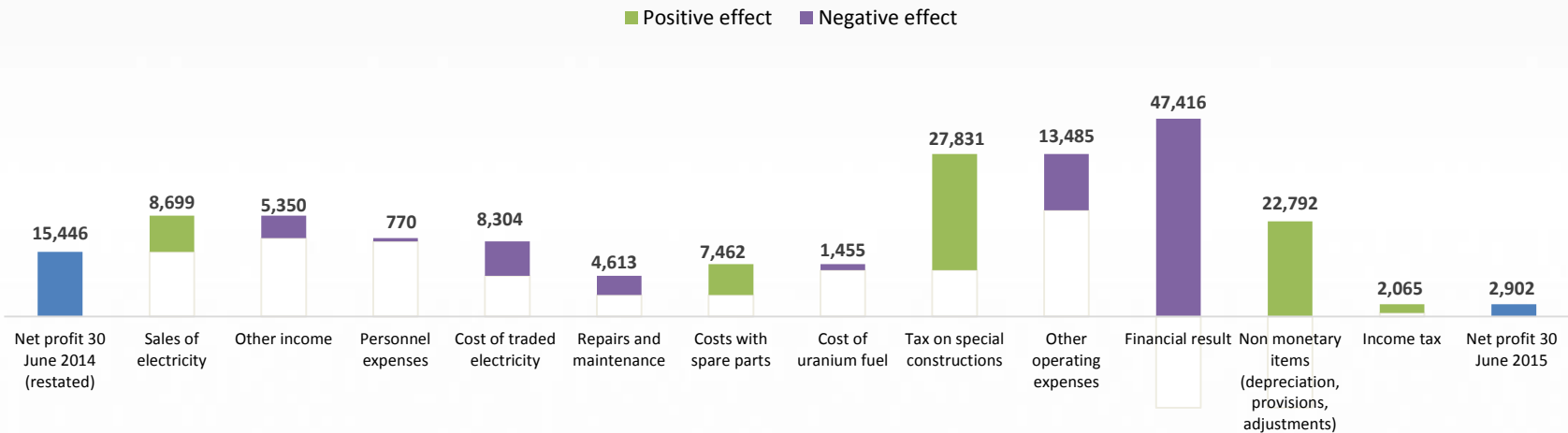
Nuclearelectrica net profit for H1 2015: 2,902 mil RON

Main drivers:

- Financial losses
- Increase in regulated price of energy and decrease in weighted average price for sales on competitive market
- Tax on special construction reduced to 1% compared with 1,5% in 2014 (applied to a similar tax base)
- Levies recognition according to IFRIC 21, with restatement for the year 2014 (comparative period H1 2014)
- Change in sales structure
- Increase in depreciation and amortization

Operating profit was burdened by financial result

Net result evolution (RON'000)



SNN recorded a net result of 2.902k RON, 81,2% below H1 2014 but 147% above budgeted result, being generated by:

- Operating profit (15.072k RON), 185% above operating loss in H1 2014 in amount of -17.735k RON (restated)
- Financial loss (-12.170k RON), -137% below financial profit recorded in H1 2014 of 33.182k RON

Main elements that influenced negatively the net result are the financial loss from currency movements on loans and cash denominated in foreign currencies, drop in interest income from bank deposits and increase in depreciation due to assets that were put into function during H2 2014 and H1 2015.

The net result benefited from the reduction of tax on special constructions to 1% compared with 1,5% in 2014 and from lower third party expenses.

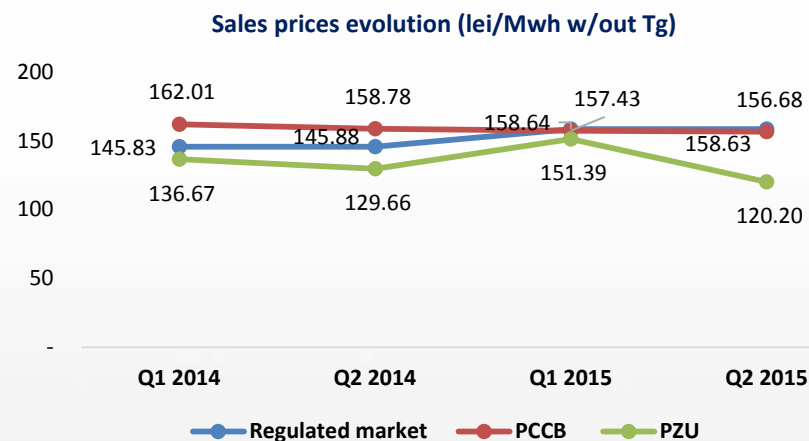
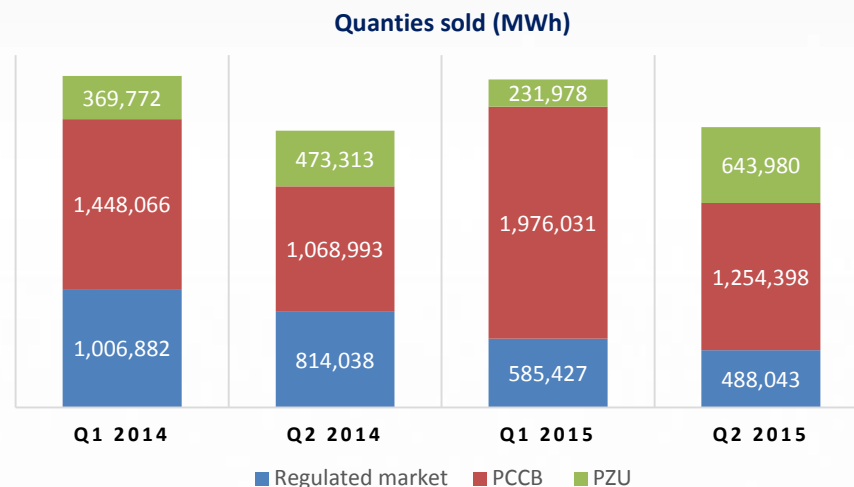
Lowering power prices affect result

Regulatory announced changes which created difficulties to conclude contracts on PCCB for Q2 2015, sales being performed in higher proportion on PZU market at lower prices

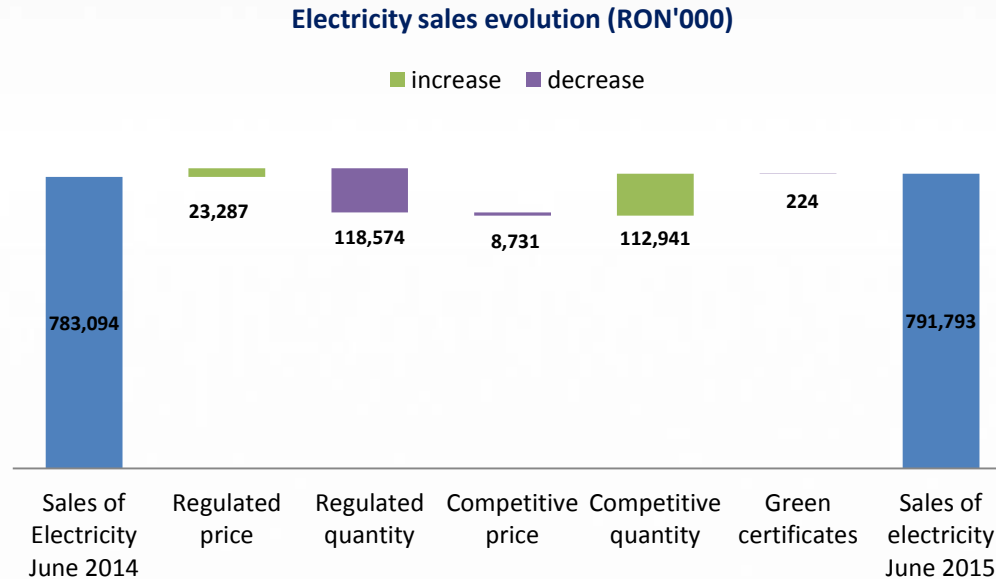
- The quantity of energy sold on regulated contracts, on the competitive and balancing market is 5.179.857 MWh, above the sales planning of 5.107.931 MWh.
- Following the intention expressed publicly by ANRE regarding the change of transport regional tariffs for electricity, PCCB market stagnated, few signed contracts being performed at low prices and auctions proposed being canceled.
- Therefore, large quantities were sold on spot market in Q2 2015, which shows the low risk appetite of market participants who preferred PZU instead of long term contracts.
- PZU Energy prices dropped by 20,6% in Q2 2015 compared to Q1 2015 due to massive contribution of energy produced from renewable sources.
- On average, compared to H1 2014 prices on PCCB market decreased by 2,2% and by 3,2% on PZU market.

Quantities	2015 actual	2015 budgeted	Variation
Regulated market	1.073.470	1.073.470	0,00%
PCCB	3.230.429	3.496.339	-7,61%
PZU	875.958	538.122	62,78%
Total	5.179.857	5.107.931	1,41%

Sales structure and average prices

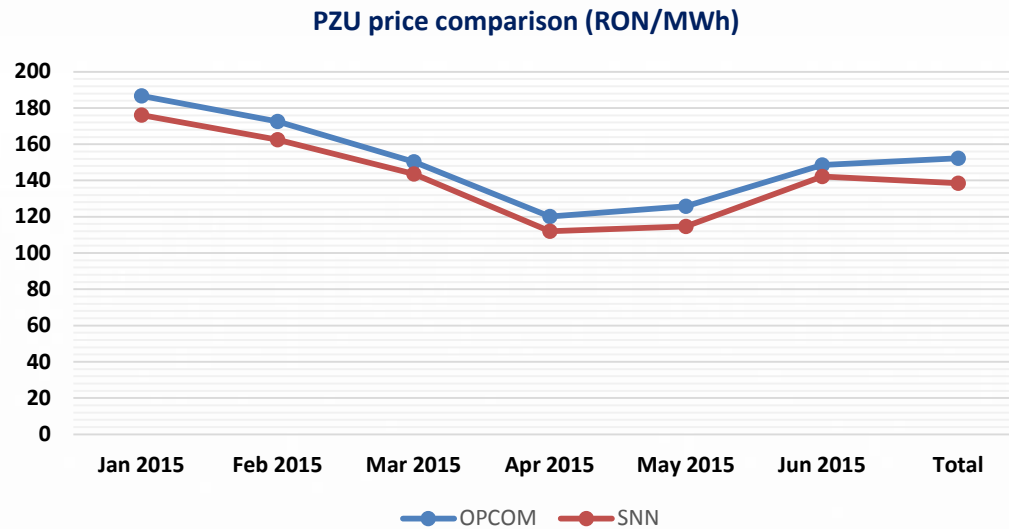


Sales of electricity increased by 1,22% compared to H1 2014



- 21% of production was sold on regulated market in the period ended 30.06.2015 versus 35% in the previous period
- The boost in sales is due to price increases on regulated market (8,8% increase mainly to compensate the introduction of tax on special constructions starting FY 2014)

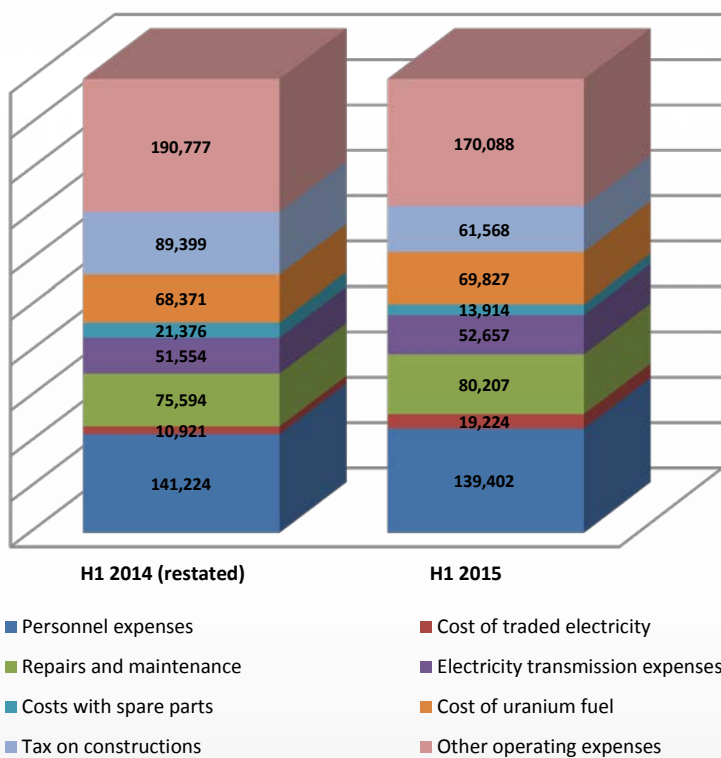
SNN's sales prices on PZU follow market trend



- Weighted average sales prices on PZU are slightly below monthly OPCOM averages being influenced by volumes and hours of trading, as well as due to the baseload profile of production.

OPEX lowered by 6,1% compared to H1 2014 and 7,9% below budget

Operating expenses (RON '000)



- Personnel expenses** dropped by 1,3% due to the social security contribution decrease by 5 pp starting October 2014. The effect of this decrease was partially canceled by movements in the number of personnel in H1 2015 and also by the fact that some employees have moved to a superior level of seniority and fidelity (according to collective labor agreement provisions) plus an amount representing in kind employee benefits reported under personnel expenses starting 2015 due to amendments of Order 1286/2012.
- Cost of traded electricity and repairs and maintenance costs** increased in H1 2015 compared with H1 2014, due to the unplanned outages occurred in H1 2015 (nil in H1 2014). For covering contracted sales during these unplanned outages SNN purchased on the spot market a quantity of 45.065 MWh at an average price of 133,77 RON/MWh.
- Cost of uranium fuel:** The production increased by 10% in Q1 2015 to cover needs in April when the fuel factory has not been operating at full capacity. These costs reduced significantly in Q2 2015.
- Electricity transmission expenses:** the level of tax of transmission into the grid was 10,32 RON/MWh in H1 2015, compared with the 10,02 RON/MWh in H1 2014 (starting July 1st is 4,04 lei/MWh).
- Tax on special constructions and local taxes** was booked entirely in the 1st quarter versus equally split on each quarter as previously reported (figures for Q1 2014 were restated to reflect changes in accounting policies). The decrease is due to the change of percentage from 1,5% for the year 2014 to 1% for the year 2015.

H1 2015 Income statement

Individual Financial RON'000	Profit & Loss account				
	30 Jun 2015	30 Jun 2014 (Restated)	Variation	Budget H1 2015	Variation vs Budget
Revenues					
Sales of electricity	791.793	783.094	1,1%	793.169	-0,2%
Electricity transmission revenues	52.657	51.554	2,1%	51.910	1,4%
Total revenues	844.449	834.648	1,2%	845.079	-0,1%
Other income	13.942	19.292	-27,7%	21.723	-35,8%
Operating expenses					
Personnel expenses	(139.402)	(141.224)	-1,3%	(144.922)	-3,8%
Cost of traded electricity	(19.224)	(10.921)	76,0%	(33.350)	-42,4%
Repairs and maintenance	(80.207)	(75.594)	6,1%	(83.174)	-3,6%
Electricity transmission expenses	(52.657)	(51.554)	2,1%	(51.910)	1,4%
Costs with spare parts	(13.914)	(21.376)	-34,9%	(22.763)	-38,9%
Cost of uranium fuel	(69.827)	(68.371)	2,1%	(70.730)	-1,3%
Other operating expenses	(234.248)	(280.176)	-16,4%	(254.613)	-8,0%
Total operating expenses	(609.478)	(649.216)	-6,1%	(661.462)	-7,9%
EBITDA	248.913	204.724	21,6%	205.340	21,2%
Depreciation and amortisation	(233.841)	(222.459)	5,1%	(233.761)	0,0%
EBIT	15.072	(17.735)	285,0%	(28.421)	153,0%
Finance costs	(66.578)	(36.092)	84,5%	(50.634)	31,5%
Finance income	61.875	78.805	-21,5%	80.199	-22,8%
Income tax charge, net	(7.467)	(9.531)	-21,7%	(7.200)	3,7%
Net profit	2.902	15.446	-81,2%	(6.056)	147,9%

H1 2015 Financial position

RON'000	30 Jun 2015	31.dec.14	Variation
Total non-current assets	7.843.033	8.025.828	-2,3%
Inventories	407.145	397.665	2,4%
Trade and other receivables	174.028	258.665	-32,7%
Cash and cash equivalents (incl. deposits)	1.222.286	1.183.741	3,3%
Total current assets	1.803.459	1.840.072	-2,0%
Total assets	9.646.492	9.865.900	-2,2%
Share capital and premium	3.239.187	3.044.804	6,4%
Prepaid share reserve	24.532	217.821	-88,7%
Revaluation reserve	301.778	313.405	-3,7%
Retained earnings	3.836.364	3.912.225	-1,9%
Total shareholder's equity	7.401.861	7.488.255	-1,2%
Long term borrowings	1.399.751	1.496.192	-6,4%
Other non-current liabilities	391.701	403.002	-2,8%
Total non-current liabilities	1.791.452	1.899.194	-5,7%
Accounts payable and other liabilities	247.507	273.771	-9,6%
Current portion of long term borrowings	205.672	204.680	0,5%
Total current liabilities	453.179	478.452	-5,3%
Total liabilities	2.244.631	2.377.645	-5,6%
Total equity and liabilities	9.646.492	9.865.900	-2,2%

Total current assets

- The decrease in receivables is due to the reduction in value of other receivables, as a result of full collection of the rescheduled penalties of Hidroelectrica, according to the agreed rescheduling plan, VAT reimbursements and commercial terms and conditions.
- Cash and cash equivalents increased by 3% compared to the level as at 31.12.2014, based on the VAT reimbursements of 40.835k RON from January and February 2015, on the receivables collection during the period and dividends received for the year 2014 amounting 90.298k RON.

Equity

- In March 2015 the Trade Register issued the registration certificate regarding the share capital increase with 194 mil RON, representing cash contribution of the Romanian State, namely the amount of budget allocations in the period 2006-2009 for the completion of the Cernavoda NPP's Unit 2. The amount was transferred from Prepaid share reserve.

Non-current and current liabilities

- Accounts payable and other liabilities decreased compared with 31.12.2014 due to the payments of the suppliers and decrease in outstanding liabilities related to salaries and contributions. The positive effect was balanced by the levies recognized at 30 June 2015 in amount 33.083k RON (29k RON at 31.12.2014).
- Decrease of long term borrowings due to repayment of loans.

CAPEX

Key investments projects 2015

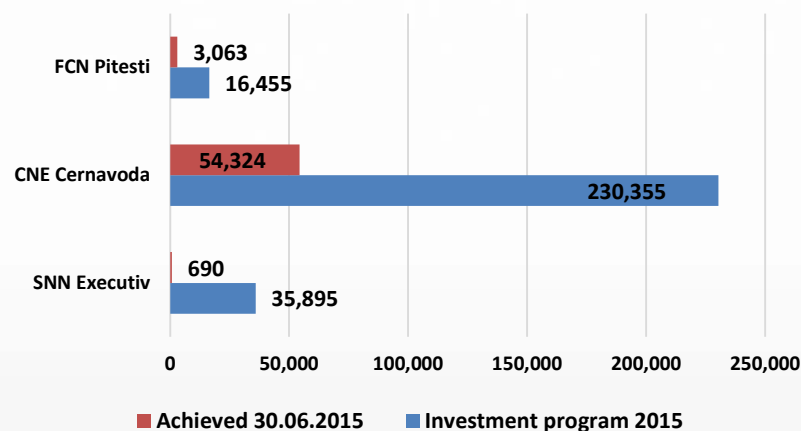
RON '000

Project code	Investment project	Budgeted 2015	Completion 31.03.2015	Completion 30.06.2015	Completion stage as at 31.03.2015	Completion stage as at 30.06.2015
					%	
PJ-05-016	Intermediate Dry Spent Fuel Storage Facility (including Spent Fuel Loading Station U #2)	9.411	955	3.234	10,1%	34,4%
PJ-04-001	Upgrading and expansion of the physical protection system	15.040	4.117	4.117	27,4%	27,4%
PJ-11-006	Improvement of Cernavoda NPP's response/nuclear safety functions in case of events beyond design basis following the Fukushima 1 nuclear accident, Japan	44.795	4	4.973	0,0%	11,1%
Total		69.246	5.076	12.324	7,3%	17,8%

CAPEX

- Total value of investment program of SNN for 2015 is of 282,7 mil RON, out of which CNE Cernavoda investment plan represents 81% and FCN Pitesti investment plan 6% of total value.
- The total completion stage for SNN investment program, as at 30 June 2015 is of 20,5%.
- The revenues and expenses budget of SNN for 2015, including the investment plan, has been approved by Government Decree no. 468/24.06.2015 and will be subject to approval by the next GMS.

Investment Program 2015 (RON '000)



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2015 Financial calendar

November 13th, 2015-Financial statements for Q3 2015

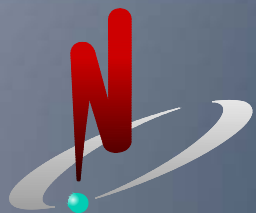
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