

**PROPORTIONATE PROSPECTUS
REGARDING THE OFFER FOR THE SHARE CAPITAL INCREASE OF
SOCIETATII NATIONALE NUCLEARELECTRICA SA**



INTERMEDIARY: BRD-GROUPE SOCIETE GENERALE SA



LEGAL ADVISER: S.C.A. BOHALTEANU & ASOCIATII



Approved by the Financial Supervisory Authority according to Decision no. 2662/15.10.2015

The authorization endorsement on this prospectus shall not be constructed as a guarantee nor represents other form of appreciation by the Financial Supervisory Authority with respect to the opportunity, advantages or disadvantages, profit or risks that may be implied by the acceptance of the offer subject to the authorization decision. The authorization decision certifies only the compliance of the prospectus with the legal requirements and the norms adopted for the application thereof.

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NOTE TO INVESTORS

This document is the unofficial translation in English of the Prospectus approved by FSA by decision no 2662/15.10.2015. This translation is made available for information purposes only, has been prepared for the convenience of non-Romanian speaking shareholders solely and it is not a substitute for the original Romanian version of the Prospectus. This translation is not required by any law or regulation and hence has not been reviewed or approved by the FSA. The accuracy or completeness of this translation is not guaranteed. In the event of any inconsistency between this English translation and the Romanian version, the Romanian version shall prevail.

This proportionate Prospectus ("**Prospectus**") comprises the information required with respect to the offer of shares ("**Offer**") corresponding to a share capital increase by contribution in kind and cash decided during the meeting of the Board of Directors of Societatea Nationala Nuclearelectrica SA ("**SNN**", "**S.N. Nuclearelectrica SA**", the "**Company**" or the "**Issuer**") held on August 11th, 2015, as a result of delegating the power to initiate, develop and finalize the share capital increase, according to the Decision no 2/ April 29th, 2015 of the Extraordinary General Meeting of Shareholders ("**EGSM**").

By way of this offer, existing shareholders as of the registration date, August 28th, 2015 ("**Registration Date**") are given the opportunity to subscribe the shares issued for the purposes of the share capital increase, based on the pre-emptive right ("**Pre-emptive Right**"). The issuing of shares addresses the benefit of the Issuer's shareholders who are recorded as of Registration Date and the scope of information herein is in line with the requirements applicable to such issuances in accordance with art. 26 (a) of the EC Regulation no 809/2004 implementing Directive 2003/71/EC of the European Parliament as regards the information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements ("**Regulation EC no 809/2004**")

The issuer is Societatea Nationala Nuclearelectrica SA, with registered office in Bucharest, 65 Polona Street, District 1, registered with the Trade Register under no J40/7403/1998, Sole Registration Code RO10874881, main line of business production, transmission and distribution of electricity, NACE code 351, fully subscribed and paid in share capital RON 3,012,210,410, divided into 301,221,041 nominal, dematerialised and evidenced by book entry shares, with a nominal value of RON 10 each.

The Issuer seeks to increase its share capital by contribution in kind and cash of a maximum amount of RON 3,550,110, from the current share capital value of RON 3,012,210,410 to RON 3,015,760,520, by issuing a maximum number of 355,011 new nominal and dematerialized shares, at a price of RON 10/share, equal with the nominal value of the shares (premium excluded), of which:

1. 292,810 New Shares in the amount of RON 2,928,100 representing the contribution in kind of the Romanian State represented by Ministry of Energy, Small and Medium Enterprises and Business Environment (Ministerul Energiei, Intreprinderilor Mici si Mijlocii si Mediului de Afaceri ("**MEIMMA**")), following the obtaining of the registration certificate of ownership issued by the Ministry of Economy no 12900, series no M03, for undivided-share land, in surface of 239.05 square meters (sq.m.), located at 33 Gheorghe Magheru Blvd., Bucharest, and the registration certificate of ownership right issued by the Ministry of Economy series M03, no. 9462/04.02.2005 for the land called "Guard Corp and Access Road", located in Saligny town, Constanta county;
2. maximum 62,201 New Shares in the amount of RON 622,010 representing the shares that will be offered to the shareholders in exercise of their Pre-emptive Rights, namely the persons who qualify as shareholders as of the Registration Date August 28th, 2015, in order to maintain the quota shares in SNN' shareholding upon the Registration Date, in accordance with the Board of Directors' Decision of S.N. Nuclearelectrica SA of August 11th, 2015.

The shareholders registered at the Registration Date in the Shareholders Registry are entitled to underwrite and pay out shares in this issue at par value, according to their quota share in the Company's share capital on Registration Date. The subscription term is 31 calendar days set forth in this Prospectus, a date that is subsequent to the Registration Date and the publication date of the Board of Directors' Decision in the Official Gazette ("**Subscription Period**").

The subscription rate ("**Subscription Rate**") will be 0.00117856. The actual number of shares that each shareholder may subscribe is determined by multiplying the Subscription Rate with the number of shares held,

with the result rounded down to the nearest integer, if the result is not a whole number already. The unsubscribed shares within the Subscription Period shall be cancelled.

The information contained in this Prospectus were provided by the Issuer or other sources indicated in the Prospectus. Certain information in this Prospectus has been extracted from public sources including independent industry publications, internal surveys and estimates, and other publicly available information. The Issuer have not independently verified the accuracy of such information and data and accept no responsibility in respect thereof.

After reviewing this Prospectus, the Issuer shall undertake full responsibility for the content herein and confirms that the information presented is true, fair and accurate. The Issuer hereby declares that all necessary steps have been taken to ensure that the information in this Prospectus is accurate, reliable, and not misleading with regard to any significant aspects. This Prospectus, including financials and annexes hereto, have been prepared in accordance with the legal regulations in force.

BRD - Groupe Societe Generale SA as intermediary (“**Intermediary**”), has taken all the reasonable possible steps to ensure that, in accordance with the documents and information made available by the Issuer, the information in this Prospectus is accurate and shows no omissions which may significantly impair the content of this Prospectus. The Intermediary is in no way liable for the Issuer’s future performance and prospects.

Nothing in this Prospectus will be construed as a recommendation to invest or as an opinion of the Intermediary with regard to the Issuer’s status, nor as legal or tax advice. Each potential investor should make an individual assessment based on his own sources of information, in addition to the information in this Prospectus. The Issuer and the Intermediary advise potential investors to rely on their own consultants for legal, tax, commercial or financial issues.

Information on the Company's website, any website mentioned in this Prospectus or any website directly or indirectly linked to the Company's website is not incorporated by reference into this Prospectus and any decision to subscribe for or purchase the Shares should not be made in reliance on such information.

No other person is authorised by the Issuer or the Intermediary to provide other information or make other statements or assessments, except for those in the Prospectus. Dissemination of such information, statements or assessments, which are not included in this Prospectus, shall be treated as unauthorised by the Issuer or Intermediary, which shall in no way be accountable in this respect. Moreover, the Issuer’s financial position, as well as the data and information in this Prospectus may be subject to change following approval of this Prospectus by the Financial Supervisory Authority (“**FSA**”).

The information set forth in this Prospectus is only accurate as of the date on the front cover of this Prospectus. The Company's business and financial condition may have changed since that date.

This Prospectus will be available on the website of the Bucharest Stock Exchange („**BVB**”) at www.bvb.ro, on the website of the Issuer at www.nuclearelectrica.ro, and Intermediary, at www.brd.ro, and hard copies thereof will be provided free of charge upon request during normal business hours at the headquarters of the Intermediary located at Bd. Ion Mihalache Nr. 1-7, 1st District, Bucharest, Romania, and at the headquarters of the Company. Moreover, on the website of the Issuer, at www.nuclearelectrica.ro, will be available, at least, the following documents:

- The Prospectus;
- The Issuer’ Organization Chart;
- The Consolidated Audited Financial Statements for the years ended December 31, 2014 and December 31, 2013 and the related auditor’s report;
- The Consolidated Revised Interim Financial Statement for six month period ended June 30, 2015 and June 30, 2014 and the related auditor’s report;
- The Issuer’s Articles of Association;
- The Subscription Form;
- The Subscription cancellation form

The Issuer and the Intermediary will in no way be held liable for subscriptions received hereunder in case of force majeure (meaning unforeseen events which cannot be prevented or, in any case, events beyond the control of the parties, including without limitation: war, riot, civil unrest, natural disasters, fire, flood, theft, strike, amendments to the legal framework or other instances of business discontinuity).

The Financial Supervisory Authority has approved this Prospectus by Decision no. 2662 /15.10.2015.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, which include, without limitation, any statements preceded by, followed by or that include the words "**may**", "**will**", "**would**", "**should**", "**expect**", "**intend**", "**estimate**", "**forecast**", "**anticipate**", "**project**", "**believe**", "**seek**", "**plan**", "**predict**", "**continue**", "**commit**", "**believe**", "**target**", "**aim**", "**could**" and similar expressions or their negatives. Such forward-looking statements involve known and unknown, predictable and unpredictable risks, uncertainties and other important factors beyond the Company's control that could cause its actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward looking statements, which might eventually not come true.

In addition, this Prospectus includes forward-looking information that has been extracted from third-party sources. The forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These assumptions reflect the Company's best judgment based on currently known market conditions and other factors, some of which are discussed below. However, assumptions about future events may prove to be inaccurate. The Company cautions all readers that the forward-looking statements contained in this Prospectus are not guarantees of future performance, and no assurance can be given to any reader that such statements will be realized or the forward-looking events and circumstances will occur. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond the Issuer's control, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those expressed in such forward looking statements are those in "*Risk Factors*" and elsewhere in this Prospectus. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to:

A. Risk factors relating to Romania

1. Difficult macroeconomic and financial market conditions may have a material adverse effect on the Issuer's activity, its financial situation and operating results and prospects;
2. Changes in factors of political and economic nature in Romania could generate additional costs for the Issuer in order to comply with these changes;
3. In Romania, the legal system and legislative framework, delays in obtaining judicial solutions can have a significant negative impact on execution of guarantees from loans granted by the Issuer;
4. Regulations on insolvency and bankruptcy and creditor protection measures, could make the recovery by the Issuer of its secured and unsecured debts to be difficult and long;
5. Romania's tax system can undergo changes that may lead to inconsistent interpretations of the tax law, resulting in additional costs for the Issuer in order to conform to these changes;
6. Romania may face difficulties in relation to the post-accession to the European Union ("EU"), and the failure to respect the obligations could affect investor confidence in economic and financial environment in Romania;
7. Issuer transparency and disclosure of public information are at a lower level compared with other EU countries;
8. Romania is still an emerging market and may pose higher risks than developed markets;
9. Shareholders rights may be different in Romania by comparison to other jurisdictions;
10. Romania is situated geographically and shares borders with two countries that are near the areas of conflict with unpredictable evolution;
11. Romania may be the destination of cyber attacks like all the countries.

B. Risk relating to Issuer's business and industry

1. Risk of unforeseen and unavoidable events which may prevent or freeze the Issuer's operations, including without limitation, technical malfunctions which may result in major radioactive leaks, political decisions made at European level following international nuclear incidents, etc.

2. The Romanian Government (“**Majority Shareholder**”) will continue to exercise a significant influence over the Company;
3. Risk associated with the annulment of the BoD’ Decision dated August 11th, 2015;
4. Failing to register the Share Capital Increase in Trade Register with the consequence of inability to register of the New Shares in the investors account and to transaction of these on BSE;
5. Risk regarding the dividend distributions;
6. Failure to complete or the late completion of the Company’s investment projects may have a negative impact on the Company’s business;
7. The Company may expense significant sums for infrastructure maintenance;
8. The Company’s operations require various permits;
9. Interest rate risk;
10. Foreign exchange rate and inflation;
11. Counterparty risk;
12. The Company is subject to regulatory proceedings and may be involved in litigations with uncertain outcomes;
13. Climate change risk (e.g. difficulties in the supply of cooling water, the impact of storms, and blizzards on the power grid, etc.), natural disaster or manmade may impair the Company’s business and results;
14. The provisions set forth in the Company’s financing agreements may hinder the Company’s financial and operational flexibility;
15. The holding of relevant permits;
16. The implementation of measures instructed in the permits/inspections of competent authorities;
17. Title of ownership over certain property;
18. Compliance with the requirements of authorities;
19. The legal framework applicable to classified or confidential information may reduce the amount of information in the Prospectus;
20. Compliance with the provisions of the financing agreements entered into by the Company. Strong unions which may enforce salary increases or hinder the Company’s operational streamlining process;

C. Risk relating the shares

1. Capital Market and liquidity;
2. The market price of the Company’ shares could be volatile;
3. The fluctuations of the exchange rate may affect the value of the shares and the dividends for the foreign investors;
4. The sales of a large volumes of shares could generate a significant selling pressure which could have an important negative effect on the market prices of the Company’ shares;
5. The shares traded on BSE are less liquid, than the shares traded on other important stock exchanges;
6. Application of corporate governance principles by the Company

The above list of important factors and the other factors in "*Risk Factors*" is not exhaustive. Other sections of this Prospectus describe additional factors that could adversely affect the Issuer's result of operations, financial condition, liquidity and the development of the industry in which the Group operates. New risks can emerge from time to time, and it is not possible to predict all such risks, nor to assess the impact of all such risks on the Issuer's business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forwardlooking statements.

When reviewing forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Issuer operates. Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction of actual results. Forward-looking statements contained in this Prospectus speak only as at the date of this Prospectus. The Issuer and the Intermediary expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based unless required to do so by any applicable regulatory regime. Investors should construe all subsequent written or oral forward-looking statements attributable to the Issuer and to the Intermediary or to persons acting on their behalf as being qualified by the cautionary statements in this Prospectus. As a result, investors should not place undue reliance on such forward-looking statements.

1 EXECUTIVE SUMMARY

1.1 INTRODUCTION AND WARNINGS

Potential investors are hereby warned that:

- (i) this summary must be read as an introduction to the Prospectus;
- (ii) any decision by the potential investor to invest must be based on consideration of the Prospectus as a whole.
- (iii) where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;

Please find below an executive summary which should be read as preamble to the Prospectus, which is not comprehensive and is based only on the detailed information contained in the Prospectus and the annexes hereto, and should be read in conjunction with such information. Investors should not base their decisions on reading this executive summary only.

We advise you to read carefully the entire Prospectus, in particular the information regarding risks as presented in the “*Risk factors*” Section, as well as the other information in the Prospectus. Any decision to invest in shares should be based on the information presented in the entire Prospectus.

1.2 INFORMATION ABOUT THE ISSUER

1.2.1 General information

<i>Issuer Name</i>	Societatea Nationala Nuclearelectrica SA
<i>Trade Register no</i>	J 40/7403/1998
<i>Sole Registration Number</i>	RO 10874881
<i>Registered office</i>	65 Polona Street, District 1, Bucharest, zip code 010494, Romania
<i>Telephone</i>	+40 21 203 82 00
<i>Fax</i>	+40 21 316 94 00
<i>Share capital</i>	RON 3,012,210,410
<i>Website</i>	www.nuclearelectrica.ro
<i>E-mail</i>	office@nuclearelectrica.ro
<i>Line of business</i>	production, transmission and distribution of electricity (NACE code 351)
<i>Main activity</i>	production of electricity (NACE code 3511)

1.2.2 The Issuer’s management, administrative and supervisory bodies and senior management

The Issuer’s Board of Directors (“**BoD**”) comprises the following members:

Name		Position in BoD
Alexandru	Sandulescu	BoD Member and President
Alexandru Alexe		Member
Daniela Lulache		Member
Carmen	Radu	Member
Dan	Popescu	Member
Sebastian	Tcaciuc	Member
Bogdan	Stanescu	Member

Source: Issuer

Executive officers is provided by:

Name		Position
Daniela Lulache		Chief Executive Officers
Mihai	Darie	Chief Financial Officer
Ionel	Bucur	Branch Manager of CNE Cernavoda
Florin	Gheba	Branch Manager of FCN Pitesti

Source: Issuer

The Issuer's shareholder structure as of the Registration Date indicated in the BoD's Decision dated August 11th, 2015 is:

Shareholder	Share owned	
	<i>(Number)</i>	<i>(%)</i>
MEIMMMA	248,443,809	82.48
Fondul Proprietatea SA	27,408,381	9.10
Others (individuals and legal persons)	25,368,851	8.42
Total	301,221,041	100

Source: Central Depositary

1.3 FINANCIAL INFORMATION

The summary of the consolidated financial and operational information presented below reflects an overview of the Group's Consolidated Audited Financial Statements, of the Condensed Consolidated Interim Financial Statements and of the operational information for the periods specified.

The summary of the consolidated financial and operational information should be read together with the section "Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses" as well as together with Consolidated Financial Statements and the related notes included in other sections of

this Prospectus.

1.3.1 Summary of statement of consolidated comprehensive income

	6 – month period ended June 30		Year ended December 31	
	2015	2014	2014	2013
	(Revised)	(Unrevised, restated)	(Audited)	
	(RON)		(RON)	
Revenues from distribution of electricity.....	791,792,692	783,093,781	1,685,350,384	1,829,187,376
Revenues from transmission of electricity.....	52,656,530	51,554,378	109,272,960	103,315,662
Other revenues.....	13,958,719	19,299,146	19,640,158	129,686,605
Total revenues.....	858,407,941	853,947,305	1,814,263,502	2,062,189,643
Depreciation and impairment.....	(233,841,384)	(222,458,983)	(425,873,117)	(433,122,847)
Staff expenses.....	(140,021,570)	(141,895,946)	(300,020,637)	(302,751,047)
Cost of electricity purchased.....	(19,224,269)	(10,920,689)	(29,499,135)	(77,327,618)
Repair and maintenance.....	(80,206,840)	(75,594,275)	(130,414,701)	(142,249,662)
Electricity transmission expenses.....	(52,656,530)	(51,554,378)	(109,272,960)	(103,315,661)
Cheltuieli cu piesele de schimb.....	(13,913,715)	(21,375,664)	(24,748,712)	(28,528,016)
Nuclear fuel expenses.....	(69,826,644)	(68,371,375)	(134,241,709)	(113,396,395)
Other operating expenses.....	(234,248,811)	(280,191,260)	(486,389,314)	(402,170,795)
Total operating expenses.....	(843,939,763)	(872,362,570)	(1,640,460,285)	(1,602,862,039)
Operating income.....	14,468,178	(18,415,265)	173,803,217	459,327,604
Financial expenses.....	(66,616,953)	(36,142,758)	(117,893,368)	(172,539,326)
Financial revenue.....	61,200,531	78,517,816	96,795,817	229,726,731
Net financial (expenses)/ revenue.....	(5,416,422)	42,375,058	(21,097,551)	57,187,405
Profit before tax.....	9,051,756	23,959,793	152,705,666	516,515,009
Income tax expense.....	(7,472,847)	(9,539,565)	(21,290,850)	(89,659,467)
Profit for the year.....	1,578,909	14,420,228	131,414,816	426,855,542

	6 – month period ended June 30		Year ended December 31	
	2015	2014	2014	2013
	(Revised)	(Unrevised, restated)	(Audited)	
		(RON)	(RON)	
Reevaluation of property, plant and equipment.....	-	-	-	356,087,677
Revaluation reserve deferred tax.....	-	-	-	(62,662,755)
Actuarial gains on determined employee benefits....	-	-	(4,180,478)	181,360
Other items of comprehensive income.....	-	-	(4,180,478)	293,606,282
Total comprehensive income.....	1,578,909	14,420,228	127,234,338	720,461,824
Profit attributable to:				
Company shareholders.....	1,578,909	14,420,228	127,234,338	720,654,120
Non – controlling interests.....	-	-	-	(192,296)
Earnings per share				
Earnings per share basic (RON/share).....	0,01	0,05	0,47	1,65
Earnings per share diluted (RON/share).....	0,01	0,05	0,44	1,54

Source: The Consolidated Audited Financial Statements for the years ended December 31, 2014 and the Revised Consolidated Interim Financial Statement for six month period ended June 30, 2015.

1.3.2 Summary of the statement of consolidated financial position

	6 – month period ended June 30	Year ended December 31	
	2015	2014	2013
	(Revised)	(Audited)	
	(RON)	(RON)	
Non-current assets			
Property, plant and equipment.....	7,754,134,084	7,928,119,698	8,192,667,298
Intangible assets.....	87,113,621	94,579,281	97,861,128
Total non-current assets.....	7,841,247,705	8,022,698,979	8,290,528,426
Current assets			
Inventories.....	407,144,814	397,664,374	386,296,868
Trade receivables and other currents assets.....	152,054,572	240,317,426	197,366,645
Income tax receivables.....	8,611,875	-	-
Prepaid expenses.....	12,678,335	18,546,205	10,865,840
Bank deposits.....	554,115,606	31,442,715	704,525,705
Cash and cash equivalents.....	672,829,256	1,158,859,684	751,247,612

	6 – month period ended June 30	Year ended December 31	
	2015	2014	2013
	(Revised)	(Audited)	
	(RON)	(RON)	
Sub - total current assets.....	1,807,434,458	1,846,830,404	2,050,302,670
Disposals assets.....	-	-	1,382,640,479
Total current assets.....	1,807,434,458	1,846,830,404	3,432,943,149
Total assets.....	9,648,682,163	9,869,529,383	11,723,471,575
Shareholders' Equity			
Share capital.....	3,207,713,153	3,013,330,303	3,013,330,303
Share premium.....	31,474,149	31,474,149	31,474,149
Prepaid reserve.....	24,531,537	217,820,977	215,930,237
Revaluation reserve.....	1,770,574,705	1,770,574,705	1,770,574,705
Retained earnings.....	2,369,591,646	2,458,402,361	2,667,598,242
Total Shareholders' Equity attributable:			
Company shareholders.....	7,403,885,190	7,491,602,495	7,698,907,636
Non – controlling interests.....	-	-	22,474,502
Shareholders' Equity.....	7,403,885,190	7,491,602,495	7,721,382,138
Non – current liabilities			
Long term borrowings.....	1,399,751,032	1,496,191,642	1,675,427,622
Non – current deferred revenues.....	164,963,608	172,135,939	186,480,601
Deferred tax liability.....	193,470,215	197,598,967	208,285,413
Employee benefits.....	33,267,120	33,267,120	26,207,527
Total non – current liabilities.....	1,791,451,975	1,899,193,668	2,096,401,163
Current liabilities			
Trade payables and other current liabilities.....	226,368,022	244,636,285	243,249,981
Income tax payable.....	6,256	4,507,170	35,004,719
Current deferred revenues.....	21,298,324	24,909,505	32,007,582
Current share of long-term borrowings.....	205,672,396	204,680,260	212,785,513
Sub - total current liabilities.....	453,344,998	478,733,220	523,047,795
Liabilities from asset disposals.....	-	-	1,382,640,479
Total current liabilities.....	453,344,998	478,733,220	1,905,688,274
Total liabilities.....	2,244,796,973	2,377,926,888	4,002,089,437
Total liabilities and shareholders' equity.....	9,648,682,163	9,869,529,383	11,723,471,575

Source: The Consolidated Audited Financial Statements for the years ended December 31, 2014 and the Revised Consolidated Interim Financial Statement for six month period ended June 30, 2015.

1.4 INFORMATION ABOUT THE STATUTORY AUDITOR

Baker Tilly Klitou and Partners SRL was appointed the Company's external auditor according to Ordinary General Meeting of Shareholders's Decision no 10/18.12.2014, with a mandate for 3 years.

Baker Tilly Klitou and Partners SRL having its registered office in Bucharest, 52 Splaiul Independentei Street,

Ground floor, 1 Office, Romania, telephone +4021 315 61 00, fax +4021 315 61 02, registered with the Trade Registry under no J 40/5434/2003, Sole Registration Code 15381680, member of Romanian Chamber of Financial Auditors having the authorization no 384/26.05.2003, represented by Mamas Koutsoyiannis as General Manager.

The Consolidated Audited Financial Statements for the years ended December 31, 2013 and the Consolidated Audited Financial Statements revised on the date and for the period ended June 30, 2014 were audited and reviewed by another financial auditor, **KPMG Audit SRL**.

KPMG Audit SRL headquartered in Bucharest, Victoria Business Park, 69-71 Bucharest-Ploiesti Road, district 1, Romania, telephone +4021 315 61 00, fax +4021 315 61 02, registered with the Trade Registry under no J 40/5434/2003 Sole Registration Number 12997279, member of the Romania Chamber of Auditors, authorization number 009/11.07.2001 duly represented by Mr. Razvan Mihai who holds the authorisation number 2561/2008.

1.5 TERMS AND CONDITIONS OF THE OFFERINGS

<i>Characteristics of the Offering.....</i>	The Offering entails the sale of a number of ordinary, registered and indivisible shares in book-entry form, which are freely negotiable.
<i>Number of the New Issued Shares.....</i>	A maximum number of 355,011 New Issued Shares, out of which: <ul style="list-style-type: none"> - 292,810 New Shares, in amount of RON 2,928,100, representing the contribution in kind of the Romanian State through the MEIMMMA; - maximum 62,201 New Shares for the other shareholders registered at the Record Date, after exercising Pre-emptive Rights.
<i>Nominal value of the New Issued Shares</i>	RON 10/share
<i>Offering price.....</i>	RON 10/share
<i>Value of the Offering.....</i>	Maximum RON 3,550,110
<i>Subscription Period of the Offering.....</i>	The Offer is considered launched on the next Business Day following the publication date of the Prospectus. The Subscription period of the Offering is 31 calendar days, starting on 19.10.2015 until 18.11.2015 for the existing shareholders exercising the Pre-emptive Right;
<i>Conditions for subscription within the Offering.....</i>	All the shareholders registered in the Shareholders Register kept by Depozitarul Central on Record Date, i.e. 28.08.2015, are entitled to subscribe within the Offering, proportionally to their participation in the share capital of the Company on the Record Date;
<i>Subscription procedure.....</i>	The subscription will be made, provided that all the required documents for the validation of subscription, based on the Subscription Form, that will be available on the following websites: www.brd.ro and www.nuclearelectrica.ro , as well as at the offices of the Intermediary, BRD – Groupe Societe Generale SA, from Bucharest, BRD Tower, 1-7 Ion Mihalache Blvd., postal code 011171, District 1, Romania. The Subscription Form and all the required documents for the validation of subscription will be submitted by hand, post or courier at the Intermediary, offices from Bucharest, BRD Tower, 1-7 Ion Mihalache Blvd., postal code 011171, District 1, Romania), considering the subscription schedule.

Payment of shares will be made by bank transfer to the account no RO 79 BRDE 427 SV00084064270 opened with BRD – Groupe Societe Generale. Each subscriber shall be entitled to subscribe Newly Issued Shares proportionally to their participation in the share capital of the Company on the Record Date, also considering the Subscription Rate of 0.00117856 Newly Issued Shares for each share held; information on the number of shares which shareholders are entitled to subscribe is available at the Intermediary's offices. During the Subscription Period, the subscriptions can be made between 9:00 a.m. and 04:00 p.m. on each Business Day, except for the last day of the Subscription Period, when the subscriptions could be made no later than 12.00 p.m. No subscriptions will be received after the expiration of the subscription term.

The subscriber will be liable for payment of the relevant bank fees.

The Subscription Form should be accompanied by evidence of payment for the shares subscribed.

<i>The Payment of the shares subscribed.....</i>	The shares will be paid by bank transfer into the Collection Account on the subscription date.
<i>Subscription Rate.....</i>	The Subscription Rate will be 0.00117856.
<i>Guarantee of the subscription.....</i>	There is no commitment from the Intermediary or from any other entity to subscribe any part of the Offering in case it remains unsubscribed.
<i>Shareholders Register.....</i>	The Register is kept by Depozitarul Central headquartered in 34-36 Carol I Boulevard, floors 3, 8 and 9, district 2, postal code 020922, Bucharest.

1.6 ESTIMATED EXPENSES CHARGED TO INVESTORS BY THE ISSUER

Investors will not be charged for their subscriptions during the Subscription Period.

Nevertheless, the investors should consider that the offering price should be paid so that the value of the subscription should debit the Issuer's account net of any bank fees and commissions. Investors should consider applicable bank transfer fees and settlement times.

1.7 THE OFFER' DOCUMENTS AVAILABILITY

This Prospectus will be available on the website of the BVB at www.bvb.ro, on the website of the Issuer at www.nuclearelectrica.ro, and Intermediary, at www.brd.ro, and hard copies thereof will be provided free of charge upon request during normal business hours at the headquarters of BRD – Groupe Societe Generale S.A. located at Bd. Ion Mihalache Nr. 1-7, 1st District, Bucharest, Romania, and at the headquarters of the Company. Moreover, on the website of the Issuer, at www.nuclearelectrica.ro, will be available, at least, the following documents:

- The Prospectus;
- The Issuer' Organization Chart;
- The Consolidated Audited Financial Statements for the years ended December 31, 2014 and December 31, 2013 and the related auditor's report;

- The Consolidated Revised Interim Financial Statement for six month period ended June 30, 2015 and June 30, 2014 and the related auditor's report;
- The Issuer's Articles of Association;
- The Subscription Form;
- The Subscription cancellation form.

This Prospectus's Executive Summary should be read as a supplement to the "Note to investors" and a preamble to this Prospectus. Any investment decision should be based on the information contained in the entire Prospectus. The persons who have prepared this Executive Summary shall be liable for instances when the summary is misleading, inconsistent or inaccurate.

2 SHARE REGISTRATION DOCUMENT

2.1 PERSONS RESPONSABLE

2.1.1 Issuer

Societatea Nationala Nuclearelectrica SA, a joint stock company, organised according to Romanian law, with registered office at Bucharest, 65 Polona Street, District 1, zip code 010494, Romania, telephone +40 212 03 82 00, fax +40 21 316 94 00, registered with the Trade Registry under no J40/7403/1998, Sole Registration Code 10874881, duly represented by Mrs. Lulache Daniela as Chief Executive Officers, hereby state that having taken all reasonable measures to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, true and accurate and contains no omission likely to affect its import.

The Issuer confirms that, to the best of its knowledge, this Prospectus contains the key information requested under Regulation no 809/2004 with regard to its business and shares issued, and that the information is accurate and reliable in its entirety. The Issuer also confirms that the information presented herein is not misleading and that all the Issuer's opinions, forecasts and intentions as indicated in this Prospectus are presented in good faith, and are not misleading, and that there are no omissions which may significantly impair the content hereof.

2.1.2 Intermediary

BRD - Groupe Societe Generale SA, a credit institution organised and functioning according to Romanian law, with registered office at Bucharest, BRD Tower, 1-7 Ion Mihalache Blvd., District 1, zip code 011171, Romania, registered with the Trade Registry under no J40/608/1991, Sole Registration Number 361579, authorised by the ASF (the National Securities Commission precursor) by Decision no 255/06.08.2008, registered by the FSA's Registry under no PJR01INCR/400008, duly represented by Mr. Iliescu Bogdan as Executive Director Corporate Finance, hereby state that having taken all reasonable measures to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, true and accurate and contains no omission likely to significantly affects its import.

2.2 AUDITORS

Baker Tilly Klitou and Partners SRL with registered office in Bucharest, 52 Splaiul Independentei Street, Ground floor, 1 Office, Romania, telephone +4021 315 61 00, fax +4021 315 61 02, registered with the Trade Registry under no J 40/5434/2003, Sole Registration Code 15381680, member of Romanian Chamber of Financial Auditors having the authorization no 384/26.05.2003, represented by Mamas Koutsoyiannis as General Manager. The Issuer's auditor does not have any significant interest regarding the Issuer.

KPMG Audit SRL with registered office in Bucharest, Victoria Business Park, 69-71 Bucuresti-Ploiesti Street District 1, Romania, telephone +40 372 377 800, fax +40 372 377 700, registered with the Trade Registry under no J40/4439/2000, Sole Registration Number 12997279, member of Romanian Chamber of Financial Auditors having the authorization no 009/11.07.2001, represented by Razvan Mihai, having the authorization no 2561/2008.

In December 24th, 2013, the Issuer entered into an agreement with KPMG Audit SRL for the auditing of the Company's 2013 financial statements, the revision thereof as of June 30th, 2014, as well as for providing assistance to Company employees in the process of revising the data from accounting statements according to Minister of Public Finance Order no 3055/2009, in accordance with the new provisions laid down in Order no 1286/2012 of the Minister of Public Finance.

Since at the beginning of 2014, KMPG Advisory (China) Ltd was appointed financial consultant for China General Nuclear Power Corporation with regard to the assets of CNE Cernavoda Units 3 and 4, and the assets of EnergoNuclear, the auditor and SNN agreed in the month of June 2014 to suspend agreement no 1438/24.12.2013 until such time as the appointment of a new auditor, in order to avoid a potential conflict of interest.

The Issuer has initiated an open bid award process for the selection of the external auditor, and published the call for tender and the relevant documents in the SEAP platform on September 24th, 2014. The winner of the tender process was Baker Tilly Klitou and Partners SRL.

Baker Tilly Klitou and Partners SRL was appointed the Company's external auditor according to OGSM's Decision no 10/18.12.2014, with a mandate for 3 years. In the same OGSM meeting was appointed the discharge of the external auditor, KPMG Audit SRL, following the termination of the audit services agreement by mutual consent of the parties.

2.3 RISK FACTORS

An investment in the Shares involves a high degree of risk. You should carefully consider the following information about these risks, together with the information contained elsewhere in this Prospectus, before deciding whether to invest in the Shares. Any of the following risks, individually or together, could have a material adverse effect on the Group's business, financial condition and results of operations or prospects, which could lead to a decline of the trading price of the Shares, and you could lose all or part of your investment.

The Issuer has described the risks and uncertainties that its management believes are material at the date of this document, but these risks and uncertainties may not be the only ones the Group faces. Additional risks and uncertainties, including those about which the Group is currently not aware or which it deems immaterial, could have the effects set forth above. Prospective investors should be aware that the value of the Shares and any income from them (if any) may go down as well as up and that investors may not be able to realise their initial investment.

In addition, the investors should make the necessary efforts in order to draw up its evaluation of the investment opportunity. Thus, the potential investors should exercise a particular care when evaluating risks and must decide, individually, whether such investment is appropriate, in light of such risks.

Prospective investors should also read the information provided in this Prospectus and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another.

Also, this Prospectus contains forward-looking statements that involve risks and uncertainties. Actual results of operations of the Issuer could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Issuer, described below and elsewhere in this Prospectus.

In this section, the order of the risk factors is random and not representing an assumed order of risk factors' significance. The order in which the following risks are presented is not intended to be an indication of the probability of their occurrence or the magnitude of their potential effects.

2.3.1 Risk relating to Romania

- 1. Difficult macroeconomic and financial market conditions may have a material adverse effect on the Issuer's activity, its financial situation and operating results and prospects*

From mid-2007 and continuing into 2009, the global economy experienced a significant downturn, the effects of which are ongoing. Governments in the United States, Europe and elsewhere have implemented and continue to implement significant economic stimulus packages in response to this global financial crisis. Notwithstanding these actions, the volatility and market disruption in the global banking and other economic sectors have continued to a degree unprecedented in the recent history.

Like other many countries, Romania has recently experienced some contraction in its economy and other adverse economic and financial effects as a result of the global financial crisis, including a correction in the real estate sector and limited access to international capital markets, followed by a moderate resumption of growing starting in 2011. For example, gross domestic product ("**GDP**") declined by 1.1 in 2010 as compared to 2009 and 6.6% in 2009 as compared to 2008, before increasing by 2.3% in 2011 as compared to 2010, by 0.6% in 2012 as

compared to 2011, by 3.4% in 2013 as compared to 2012 and by 2.8% in 2014 as compared to 2013. In the first six months of 2015, the Romanian's GDP grew by 3.7% as compared to the similar period of 2014.

The first half of 2015 was dominated by three major macroeconomics trends: the sudden increase of the bond interest, especially in the Euro Zone, a new escalation of the Greece' debts and the sharp drop of the China's stock exchange.

In the second half of April, the 10-years German Government bonds suffered a substantial correction. It should be noted that the German bonds function as a reference for the European bonds, both EUR and RON. Thus, an increase in their yield leads to an increase in the yield for all European bonds. In the last few months, the European Central Bank's ("ECB") monetary policy has caused a dramatic decline in bonds yields. This evolution is due not only to the low interest rates (applied starting September 2014) but also the bond purchasing program initiated by the ECB starting January 22th, 2015. This program involves buying financial instruments worth EUR 60 million each month. The program will run until the end of September 2015 or at least until the moment in which the ECB will notice a sustainable correction of the inflation. As of March 2009, the ECB started purchasing financial instruments denominated in EUR issued on the secondary market by the public sector entities.

Chronologically, the second important development that dominated the financial market was escalating the crises of the Greek debt, in late June - early July 2015. In June 27th, 2015 the new Greek Government, run by the Alexis Tsipras, abandoned the negotiations with the Greek creditors (Eurozone governments, IMF, ECB) regarding the extension of the financial assistance program. On July 28th, 2015, the ECB decided to cancel the financial assistance program and freeze the provision of emergency liquidity to the Greek banks, determining the Greek Government to declare a bank holiday and introduce capital control. Greece entered default with a EUR 1.54 billion debt to the World International Fund ("IMF"), whose maturity was on June 30th, 2015. Two weeks later, the Greek Government and its creditors decided to restart the negotiations for the third financial assistance program. The precursor conditions imposed by the Greek creditors in order to assign the third financial assistance program are extremely harsh and include immediate implementation of structural reforms as well as the transfer of state-owned assets into a fund that will be controlled by the Greek creditors.

The third major event was the depreciation of approximately 30% of the China's capital market. The interventions of the Beijing Government, which stopped the trading of 1,500 companies with a market capitalization of US 2,800 billion and prohibited the shareholders with large holdings to sell their shares, stopped the falling of the market only for a short period of time. Furthermore, after identifying some macroeconomic indicators below the expectations (a decline in exports in June 2015 with approximately 8.3% compared to May 2015), the Bank of China announced the devaluation of the national currency, setting a course considered to be the lowest in the last three years. The devaluation of the yuan determined a similar process for other currencies in the region. On August 24th, 2015, on the background of the evolution of China's economy, the Shanghai Stock Exchange closed with a decline of 8.94%, the largest recorded after 2007, negatively influencing the rest of the Asian stock exchanges. The MSCI Asia-Pacific Index of regional Asian markets excluding Japan recorded a depreciation of 4.6% reaching the lowest level in four years. The risk aversion infected most of the world's stock indices that recorded dramatic decreases, the decline being called by the financial markets specialists the "*Black Monday*".

The investors should ensure that they have sufficient knowledge and awareness of the global financial crisis, the Euro Zone crisis and the economic situation and outlook in Romania as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the shares. In particular, the investors should take into account the current uncertainty as to how the global financial crisis, the Euro Zone crisis and the wider economic situation will develop over time and how will affect the Romanian economy.

The Issuer may face a significant deterioration of economic and market conditions, being subject to liquidity constraints, regional or global recession, sharp fluctuations in commodity prices (including oil prices), changes in currency exchange rates or interest rates, inflation or deflation phenomena, rating downgrade of sovereign debt, restructuring or default, adverse geopolitical events (including acts of terrorism and military conflicts). Disruption of financial markets and severe economic downturns, that may progress rapidly and cannot be limited, could affect the operating environment for financial institutions and could have a material adverse effect on the financial statements, risk cost or results of operations of the Issuer.

2. *Changes in factors of political and economic nature and frequent changes of legislation in Romania could generate additional costs for the Issuer in order to comply with these changes*

Romania has passed and is passing major reforms, being subject of political, economic, legal and social changes, as a consequence to the associated risks, such as exchange rate fluctuations, changes to regulations, inflation, economic recession, local market disturbances, tension on the labor market in combination with changes in social values, fluctuations and reductions in income, declining birth rates, etc.

In the domestic policy plan in 2016 parliamentary elections shall take place. In the context of the election year, there is a risk of neglecting structural projects, privatization and public investment. Delaying structural reforms may diminish economic growth in 2016 by discouraging public and private investment, but can adversely affect the potential for convergence and growth of the country in the medium term. There is also the risk of interruption of the agreement with the IMF, the World Bank and the European Union, that could lead to sudden capital movements and exchange rate volatility. Without the discipline imposed by the agreement with international creditors, an acceleration of current public expenditure and/or implementation of populist measures generating additional budgetary expenditures, all of these may result in exceeding the budget deficit target.

Additionally, there are no assurances that the new government which will be elected in 2016 will continue the strategy imposed by the previous government in order to resolve the structural problems of the Romanian economy. Even though continuing this strategy, the reforms and fiscal consolidation adjustment measures in progress assumed by the Romanian authorities regarding the concluded financial agreements with the IMF and the EU could determine an elevated social pressure or could erode the political support, which would generate the obstruction of the future reforms. There may be disagreements between political parties which form the coalition that could generate internal political turmoil and social unrest.

3. *In Romania, the legal system and legislative framework, delays in obtaining judicial solutions can have a significant negative impact on execution of guarantees from loans granted by the Issuer*

In Romania, the legal system still under development could have a material adverse effect on the Issuer. The legal system in Romania goes through fundamental changes. Romania adopted new codes, including the Civil Code and CPC and has significantly changed the Labor Code. The Civil Code came into force on 1 October 2011 and CPC on 15 February 2013. Moreover, legislation on working conditions and social dialogue, companies, competition, capital markets, consumer protection, taxes and other areas continue to be modified consistently and frequently. The Issuer's economic activity is regulated by a multitude of regulations issued by a large number of regulators, rules that are not always correlated, in fact are sometimes contradictory.

This could also lead to the non-unitary application and interpretation of legal regulations. In addition, the lack of past experience, legal precedents or other interpretation aids which are mandatory and serve as instructions for the practicing legal activities, are insufficient.

Development of judicial and legal systems in Romania is not yet at the level of other European Union member states. Therefore there is a risk that existing laws and other regulations to be applied in a inconsistent manner and, in some cases, without having the possibility to take legal action within a reasonable time. Romania has faced and is still facing legislative changes to be adopted as a result of the quality of its membership of the European Union.

In this context subject to frequent legislative changes, uneven practice can lead to decisions being unfounded and/or contradictory. The judiciary system in Romania can also generate undue delay in resolving cases. Enforcement of judgments may sometimes be difficult, making enforcement by the Romanian courts to be laborious. This legal uncertainty and the inability to obtain effective repairment measures in a reasonable time, may have a negative impact on foreclosure of collateral on loans, which in turn, could have a negative impact on the assets, financial situation and results of operations of the Issuer, so there is a risk that the Issuer would not meet their obligations or to meet them only to a certain extent.

4. *Regulations on insolvency and bankruptcy and creditor protection measures, could make the recovery by the Issuer of its secured and unsecured debts to be difficult and long.*

The legal provisions relating to insolvency and enforcement does not offer, in all respects, the same rights, the remedies and level of protection enjoyed by the lenders in the legal systems of other Member States of the European Union. In particular, the insolvency law – which was modified substantially in 2014 - as well as on enforcement - which was changed with the entry into force of the CPC in on 15 February 2013 - as well as the

related practice, can make the recovery by the Issuer of its secured and unsecured debts to be much more difficult and longer than in other countries. This can adversely affect Bondholders in their ability to use insolvency and enforcement law in order to obtain a remedy against the Issuer, but may have a significant and negative effect on the financial situation of the Issuer.

5. *Romania's tax system can undergo changes that may lead to inconsistent interpretations of the tax law, resulting in additional costs for the Issuer in order to conform to these changes.*

The legal and fiscal framework in Romania is changing. Over the time, some austerity measures and strict budgetary controls have been implemented, which determined the increase of taxes, the introduction of new taxes, the broadening of the tax base but also certain tax concessions. There is no guarantee that these austerity measures will be continued or intensified or that new taxes will be introduced in the future, if budgetary targets are not met. For example, since January 1st, 2014, the GEO no 102/2013 entered into force, which introduced a special tax on construction, amounting to 1.5% of the inventory value of special constructions owned by legal entities, that was reduced to 1% starting January 1st, 2015 and which would be abolished as of January 1st, 2017. Applying this tax has significantly affected the profitability of the Company. Such changes in tax legislation, as far as they are applicable to the Issuer, can have a material negative impact on the Issuer's business, financial condition and results of operations.

6. *Romania may face difficulties in relation to the post-accession to the European Union, and the failure to respect the obligations could affect investor confidence in economic and financial environment in Romania*

When Romania became a member state of the European Union (1 January 2007), Romania still had to make progress in terms of judicial reform, corruption and organized crime. To help the Romanian government to address these important issues, the European Commission established a special MCV meant to ensure a harmonious accession process and the development of effective legal and administrative systems so that Romania can fulfill its obligations as member of the European Union. The European Commission issues annual reports on progress under the CVM and makes, as part of the evaluation, recommendations on what measures should be taken to continue the necessary reforms. If Romania will not be able to meet the objectives established by the CVM, the European Commission may impose sanctions against Romania, including suspending of obligations of other Member States to recognize and enforce judgments issued by the Romanian courts.

Although Romania has made some progress in the achievement of the objectives established by the European Commission, the enforcement of safeguards is still possible. The implementation of any such safeguards may have a negative impact on investor confidence in the Romanian economic and financial environment, which will in its turn affect the Company's financial position, operating revenues.

7. *Issuer transparency and disclosure of public information are at a lower level compared with other European countries.*

Romanian practices in the field of reporting, accounting and financial statements may differ in some areas by comparison to practices in other EU Member States, even though Romania is undergoing a process of harmonization with community laws. Sometimes, the information available on the shares and the financial statements of companies admitted to trading on a regulated market in Romania is less than in the case of similar companies in other European countries.

8. *Romania is still an emerging market and may pose higher risks than developed markets.*

Emerging markets, such as Romania, are considered more risky than developed markets and price volatility of financial assets can be extremely high. Price and market disruption discrepancies are not uncommon. In addition, as the dissemination of information specific to these markets is made, financial markets may react by dramatic price increases or reductions in a short time. In general, emerging markets do not have a high level of transparency, liquidity, efficiency and regulation as the existing developed markets. Using certain investments risk management practices in emerging markets, such as foreign exchange forward contracts or derivatives, may prove difficult.

Also, investors should take note that emerging economies such as Romania's economy, are going through rapid changes and that the information contained in this Prospectus may be out of date relatively quickly. Accordingly, investors should exercise particular care when assessing risks of the Offering and must decide, individually, whether such an investment is suitable for them, given the risks to the market and the economy of Romania.

Manifestation of events such as those described above may have a material adverse effect on the assets, financial position and results of operations of the Issuer.

9. Shareholders rights may be different in Romania by comparison to other jurisdictions.

The Issuer is incorporated under Romanian law. Although Romanian laws are in line with EU requirements, the rights conferred to holders of Issuer' shares may be different from the rights conferred to holders of shares in companies incorporated under laws of countries other than Romania.

10. Romania is situated geographically and shares borders with two countries that are near the areas of conflict with unpredictable evolution.

Romania is situated geographically and shares borders with two countries that are near the areas of conflict with an unpredictable evolution, respectively the frozen conflict between Moldova and Transnistria area, where the 6th Russian Army quartered and the conflict between Ukraine and separatist areas in the Southeast stalled. In both situations, the separatist areas have a majority Russian population, supported directly or indirectly by Russia. This risk is reconciled by the fact that Romania is a member of both NATO and EU.

11. Romania may be the destination of cyber attacks like all the countries

Recently, Romania has been the target of a cyber attack specifically aimed at Romania. In the context in which Romania is an increasingly active actor in the cybernetics market (e.g. manages, on behalf of NATO, the Ukrainian cyber defense), it appears that Romania possesses robust cyber structures.

2.3.2 Risk relating to Issuer's business and industry

1. The risk of unforeseen and unavoidable events which may prevent or freeze the Issuer's operations, including without limitation, technical malfunctions which may result in major radioactive leaks, political decisions made at European level following international nuclear incidents, etc.

The Company is governed by Romanian law (the Law on electricity, in particular), as well as by regulations approved by Government resolutions, orders of the National Regulatory Agency in Energy Sector ("**ANRE**") and orders issued by The National Commission for the Control of Nuclear Activities ("**CNCAN**"). Even though most part of the Romanian legislation has been harmonized with EU laws, future amendments are possible in the form of new laws and regulations with an impact on the Issuer's business. Romanian law is sometimes unclear, thus leading to various different interpretations, which result in different implementations and successive amendments. There is no possibility for the Company to estimate the extent or impact of any future revisions or amendments to existing laws or regulations or to the interpretation thereof. If existing laws and regulations become stricter or new laws and regulations are enforced and become mandatory for the Company in order to increase the level of regulation and to introduce a new legal or regulatory requirements, the impact on the Company's operating costs and overheads may be significant, even requiring additional investments or downsizing, with negative outcomes for the Company's business, operating results and financial position. The Company's financials may also be influenced by changes in the legal framework applicable to renewable energy. The implementation of EU Directives establishing common rules for the electricity market determine triggers a number of amendments to national laws, with an impact on the Company's business.

All of the above can have a material negative impact on the business, financial condition and results of operations of the Issuer.

*2. The Romanian Government ("**Majority Shareholder**") will continue to exercise a significant influence over the Company*

The Majority Shareholder can exercise a significant influence regarding the matters that require the shareholders' approval. Some voting decisions may reflect the economic/political policy of the Majority Shareholder as well as its economic interest which could be inconsistent with the interests of shareholders who purchased shares through the Offer. As a result, the differences between the Majority Shareholder's interests and the other Company' shareholders could lead to conflicts and/or could prevent the Issuer from implementing the business strategy, which may have a significant negative impact on the Company's business, operating results, financial situation and prospects.

3. *The risk associated with the annulment of the BoD' Decision dated August 11, 2015.*

The BoD's Decision dated August 11th 2015 could be appealed in the Court, taking into consideration the contradictory statutory provisions of the GEO 88/1997 and GD 834/1991 regarding the share capital increase with the value of the land for which were obtained the certificates of ownership.

In accordance with the provisions of GEO 88/1997 regarding the privatization of companies, "the companies' share capital, for which the certificates of land ownership was issued, is increased by law with the value of the land mentioned in the certificate", and according to the provisions of GD 577/2002, "the share capital is increased with the value indicated in the annexes to the certificate of land ownership, updated with the re-assessment coefficient established by the legislation in force." We mention that, starting 04.02.2008, the legislation in force no longer sets a reevaluation coefficient.

On the other hand, GD 834/1991 on the establishment and evaluation of land owned by state owned companies, stipulates that, as of 04.02.2008 (after obtaining the ownership certificate series M3 no 9462/04.02.2005 for the land called "Guard House and access road" from Saligny town, Constanta county, issued by the Ministry of Economy), "the value of land evaluated according to par. 1, updated with the inflation as of the evaluation date, is included, by law, in the companies' heritage and their share capital is increased according to the provisions of article 113 letter f) and article 210 of the Law no 31/1990, republished, with subsequent modifications."

In addition, the EGSM's Decision dated 06.10.2015 which approved the share capital increase is subject to an action for annulment in the Court under case file no 40046/3/2014 and if the action will be admitted, the share capital increase realized based on this OGSM's Decision and the subsequent share capital increase, will be reversed.

4. *Failing to register the Share Capital Increase in Trade Register with the consequence of inability to register of the New Shares in the investors account and to transaction of these on BSE.*

The undivided-share land, with a surface of 239.05 square meters, located at 33 Gheorghe Magheru, Bucharest, owned by the Company based on the registration certificate of ownership no 12900, series M03 issued by the Ministry of the Economy, which is the Romanian State contribution in kind at the present Share Capital Increase, is not registered in the Land Registry.

Taking into consideration that, according to the provisions of the Methodological Norms regarding the keeping of the trade registries, keeping records and releasing information dated 10.10.2008, approved by the Order no 2594/2008 of the Ministry of Justice, the Land Registry excerpt regarding this immovable asset is attached to the request for recording mentions on the share capital increase through contributions in kind consisting of an immovable asset that is submitted to the Trade Registry, there is a risk that the registration of this Share Capital Increase in the Trade Registry cannot be completed, inasmuch as a Land Registry excerpt regarding this land cannot be submitted as long as the land was not registered in the Land Registry.

Failure to register the Share Capital Increase in the Trade Registry attracts the consequence of the inability to register the New Shares in the investors' account and respectively, the impossibility of their trading on BSE. The Issuer makes all the efforts to elaborate the necessary documentation in order to register the land in the Land Registry.

5. *Risk relating to dividend distribution*

There is no guarantee that in the future the Issuer' shareholders will approve the distribution of dividends or other revenues to shareholders. Presently, the distribution of dividends in the Company is subject to the specific regulations set forth in Government Order no 64/2001, stipulating that minimum 50% of distributable profit should be allocated as dividends to Company shareholders.

6. *Failure to complete or the late completion of the Company's investment projects may have a negative impact on the Company's business.*

Investment projects rely in the extensive use of resources, subject to market risk, credit risk, and commercial risk, regulatory and operational risks. Usually, the Group is required to obtain authorization for such projects, it should raise sufficient own funds and finance its debts, as well as execute contracts with third parties. The key risks associated with investment projects refer to late authorizations (including environmental approvals), price changes, the opposition of the public, adverse changes in the political or regulatory area, unfavorable climate

conditions, natural disasters, accidents and other unforeseen events, the inability to raise sufficient funds under acceptable terms and conditions.

Even though the Issuer has not encountered such instances so far, the occurrence of these risk factors may cause cancellations or delays in starting or completing investment projects, with a corresponding increase in the cost of future or outstanding projects. The Issuer is currently involved in several projects in various stages of development or in planning stage.

7. The Company may expense significant sums for infrastructure maintenance

Some of the Issuer's infrastructure components were built many years ago. Even though adequately maintained, in accordance with best technological practices, older equipment may require significant capital expenditure to operate at full capacity. Also, many other equipment items may require maintenance or upgrading, even though recently put in service. If it underestimates maintenance requirements or fails to make the necessary expenditure due to liquidity constraints or otherwise, the Company may face frequent and unforeseen disruptions potentially causing even higher maintenance costs plus lower revenues (during times of disruption). All this can have a negative impact on the Company's business, operating results and financial position.

8. The Company's operations require various permits.

The Company's operations and industrial development actions require various permits and licenses. The procedure to obtain and renew such permits is complex and may take a long time, applicable requirements may change and cannot always be anticipated, thus resulting in potential additional costs/investments to ensure compliance.

9. Interest rate risk.

The Company's operating cash flows are subject to interest rate fluctuations, mainly as a result of long-term loans from international banks, denominated in foreign currency (the purpose of the loan being the execution of CNE Cernavoda Unit 2). The cash flow risk triggered by an increase in interest rates is the risk of fluctuating interest payments. The Company holds significant long-term loans with variable interest rates, which may expose the Company to interest rate risk. Interest rate fluctuations may have a negative impact on the Company's leverage, with negative consequences for the Company's business, financial position and operating results. Mention should be made that the Company is no longer taking out business loans at present.

10. Foreign exchange rate and inflation.

The Issuer may be exposed to foreign exchange fluctuations, as a result of long-term loans and accounts receivable or payable in foreign currency.

The currency employed on the domestic market is the RON. The Company is exposed to foreign exchange risk due to its purchases and loans denominated in currencies other than the RON. The main currencies generating foreign exchange risk are EUR, CAD and USD. Loans and accounts payable denominated in foreign currency on the one hand and accounts receivable denominated in foreign currency on the other hand are translated into RON at the exchange rate published by the NBR on balance sheet date. Even though foreign exchange differences do not have an impact on cash flows until such time as payables are settled, they have an impact on the Company's profit and loss

11. Counterparty risk

The risk of failure to collect for the services provided on the energy market. Counterparty risk is subject to various internal and external success factors. External success factors which consistently mitigate counterparty risk: the restructuring of the energy market, the liberalisation of the energy market and the improvement of the market operator. Internal success factors include the diversification of the client base.

Failure by counterparties to settle amounts due may have a negative impact on the Company's business. In the context of the current financial and economic crisis, and the unavailability of credit, the management of liquidity risks is critical to the Company. The Company's business, operating results and financial position may be at stake if the Company proves unable to provide adequate liquidity supplies, financial flexibility or sufficient liquidity levels by way of lines of credit.

Accounts receivable are those financial assets which mostly expose the Company to the risk of failure to collect. Consequently, the Company has implemented a number of policies aimed at ensuring that services are sold to

customers of good credit standing. The risk of default on such receivables is low, as sums are mostly due from state-owned companies. Non-collection risk is under permanent scrutiny, and the Company is protected by the provisions of the Commercial Code for Anglo Market of electricity, applicable to the wholesale electricity market, at least with regard to settlements on the balance market. The risk is diminished in many cases due to the advanced payment of the electricity bill that will be delivered or to the existence of the guarantee liquid instruments such as bank letters of guarantee, issued by third parties.

12. The Company is subject to regulatory proceedings and may be involved in litigations with uncertain outcomes.

In the normal course of business, the Company is involved in various litigation and regulatory proceedings. Such proceedings include disputes involving customers or suppliers, as well as operational and administrative procedures. The Company currently acts as plaintiff in a number of court proceedings for the collection of receivables, so it has decided to set up a provision for doubtful receivables. If disputes are resolved against the Company or the Company becomes involved in other significant litigation cases, the Company may incur some related costs and/or face reputational risk. Any such factor may have a negative impact on the Company's business, operating results and financial position.

13. Climate change risk (e.g. difficulties in the supply of cooling water, the impact of storms, and blizzards on the power grid, etc.), natural disaster or manmade may impair the Company's business and results.

The Issuer's operations may be adversely affected by a number of natural and manmade events or acts of terrorism, including human error, acts of theft or vandalism, adverse weather conditions, environmental contamination, earthquakes, fires, floods and other natural disasters, terrorist attacks and other phenomena of nature or force majeure events. Each of these may cause failure of equipment and systems or could cause injury and damage. The risks listed above could result in significant expenditures and costs of repairs, or adversely impact the Group's reputation leading to loss of consumers, or could otherwise have a material adverse effect on its business, results of operations, financial condition or development prospects.

14. The provisions set forth in the Company's financing agreements may hinder the Company's financial and operational flexibility.

The financing agreements entered into by the Company comprise provisions which may restrict the Company's ability to finance future operations and capital requirements as well as the company's capacity to perform certain specific business actions. If the Company is in breach of the provisions set forth in any such financing agreement and there is no possibility for the Company to take appropriate remedial action or obtain derogation from creditors, the Company may be deemed in default. Thus, creditors who act as parties to such agreements may accelerate the due dates of all sums payable thereunder. At the same time, lenders of lines of credit may cease to extend such credit. The Issuer's management team is permanently involved in supervising compliance with the terms and conditions of the Company's loan agreements.

15. The holding of relevant permits.

The Issuer hereby confirms the holding of the permits required under the law, while also pending renewal/procurement of permits for other business purposes. Provided that it fails to procure the necessary permits or observe the requirements thereof, the Company may be subject to specific sanctions (fines, permit suspension or cancellation), while, on top of it, at least theoretically, revenues obtained from unauthorised business/locations may be seized by tax authorities.

16. The implementation of measures instructed in the permits/inspections of competent authorities.

According to applicable legal provisions, failure to implement in a timely fashion the measures instructed in the inspection report or the relevant permit constitutes an offence and is sanctioned by fine. Moreover, the competent authority may suspend/withdraw the relevant permits.

17. Title of ownership over certain property.

There are some uncertainties with regard to the titles of ownership over a limited number of buildings which are used for the Company's ancillary business. The Company holds title over most of the land which constitute company asset pursuant to some title certificates issued under Law no 15/1990 on the reorganisation of state-owned economic agents as self-regulated entities and companies, whose purpose was to establish a legal

framework for the restructuring of formerly state-owned companies and the separation of the assets thereof from the public property of the state.

Although the above mentioned certificates are not actual titles of ownership according to the applicable legal definition, they are usually accepted as evidence of ownership for companies established under Law no 15/1990. Nevertheless, the Company faces the risk of claims to the said property or actions for the annulment of the said certificates. The fact that ownership rights are not registered with the Land and Property Registry renders certificates non-binding to third parties.

Taking into consideration this uncommon restructuring process, the specificity of ownership under Law no 15/1990, as well as the complexity of the issue of ownership rights in Romania, the Issuer is in no position to guarantee that its ownership of certain land and property items will not be challenged in the future.

18. Compliance with the requirements of authorities.

The Issuer must implement the measures instructed by public authorities or otherwise, non-compliance may result in fines, foreclosures, administrative and criminal sanctions, as appropriate, with serious negative impact on the Issuer.

19. The legal framework applicable to classified or confidential information may reduce the amount of information in the Prospectus.

The Company holds classified information, so it is subject to provisions set out in Law no 182/2002 on the protection of classified information, as well as in subsequent rules. For the Purposes of this Proportionate disclosure regime Prospectus, there are no disclosures with regard to the classified information held by the Company, subject to the provisions of Law no 182/2002 on the protection of classified information. Similarly, for the purposes of this Proportionate disclosure regime Prospectus, there are no disclosures of information subject to confidentiality requirements, as well as to the consent of the relevant non-disclosing party. Certain significant information concerning the Issuer's business may not be disclosed in this Proportionate disclosure regime Prospectus for all the above mentioned reasons.

19. Compliance with the provisions of the financing agreements entered into by the Company. Strong unions which may enforce salary increases or hinder the Company's operational streamlining process.

The Company currently has several unions, of which one is representative in terms of bargaining power, i.e. the CNE Cernavoda Union. Any salary increases or higher employee benefits not recognised as costs in determining the energy tariff will result in lower Issuer profitability. Also, the Company's streamlining process may be hindered by the strong unions who are opposed to any downsizing decisions, with a negative impact on the Company's performance. Nonetheless, the partnership executed with the CNE Cernavoda Union has established that there will be a reduction in the number of employees, the person-year index for CNE Cernavoda has dropped from 2.47 persons/MW installed in 1998 to 1.15 persons/MW installed in 2014 (

2.3.3 Risk relating to shares

1. Capital Market and liquidity

The BVB administered a regulated market with a low liquidity, which leads to an increased volatility of prices so that the market price of the shares could be influenced by these factors.

2. The market price of the Company's shares could be volatile

Taking into consideration the political and economic developments in the last period, globally the stock exchanges have experienced significant ups and downs that influenced in turn the evolution of the shares' market prices admitted to trading on the respective markets, independently of the economic performances or the events closely related to the said issuers. Such fluctuations may significantly affect the Company market price of the shares.

It is possible that the market price of the shares become unstable or decrease sharply. Among the possible causes of the market price of shares decreasing could be the differences between the announced financial results by the Company and the forecasts drawn up by analysts, the maintaining of the important contracts, merger, acquisitions and the strategic partnerships which involved the Group, the Company or its competitors, the fluctuations of the financial statements and the Group's operational results, other factors related to the energetic industry or

general economic conditions and the general instability of the market prices of the shares on the international market in general.

Currently, the market price of the shares issued by SNN is lower compared with the listed price and the nominal value of shares. Information regarding the evolution of the market price of the SNN' shares can be found on BSE website www.bvb.ro (trading symbol SNN).

3. *The fluctuations of the exchange rate may affect the value of the shares and the dividends for the foreign investors.*

The fluctuations of the exchange rate could have an influence on the foreign investors' income in case of share trading or dividends, taking into consideration that Existing Shares are listed and traded in RON.

4. *The sales of a large volumes of shares could generate a significant selling pressure which could have an important negative effect on the market prices of the Company' shares.*

The sales of large packages of shares in a short period of time could generate a selling pressure that could have an important negative effect on the trading prices of the shares which may lead to the decrease of the Company' capitalization with the less favorable impact regarding the financing conditions.

5. *The shares traded on BSE are less liquid, than the shares traded on other important stock exchanges.*

The shares traded on BSE-regulated market are less liquid than the shares traded on other important stock exchanges from Europe, United States or Asia. Taking into consideration that the Company' Existing Shares are traded on BSE-regulated market, the shareholders could face difficulties regarding the transfer of the shares, especially in the case of selling or buying large packages. In the past, the shares and other securities of companies traded on BSE suffered significant fluctuations of the market price, an aspect that affected and could affect the market price and liquidity of the companies' shares listed on BSE, including the Company' shares.

6. *Application of corporate governance principles by the Company*

The Issuer has adopted the principles of corporate governance described by the BSE's Corporate Governance Code. The effective exercise of the corporate governance principles could be subject to limitations generated by the manner in which the majority shareholder exercises its prerogative of taking corporate decisions, including in relation to certain restrictions on which the shareholder with the control position has regarding to the administration of the State's public and private heritage. In the case in which the Company does not respect the principles of corporate governance, the market prices of the shares could be negatively affected.

2.4 INFORMATION ABOUT THE ISSUER

2.4.1 The legal and commercial name of the Issuer

<i>Issuer business name</i>	Societatea Nationala Nuclearelectrica SA
<i>Legal form of incorporation</i>	Joint-stock company
<i>Resigtration number with the Trade Register</i>	J 40/7403/1998
<i>Sole Registration Code</i>	10874881
<i>Tax identification code</i>	RO
<i>Date of registration with the Trade Register</i>	27 of July, 1998
<i>Duration</i>	Unlimited
<i>Registered office</i>	65, Polona St. Polona, district 1, Bucharest, postal code 010494, Romania
<i>Mailing address</i>	65, Polona St. Polona, district 1, Bucharest, postal code 010494, Romania
<i>Phone</i>	+40 21 203 82 00
<i>Facsimile</i>	+40 21 316 94 00

<i>Share capital</i>	RON 3,012,210,410
<i>Website</i>	www.nuclearelectrica.ro
<i>E-mail</i>	office@nuclearelectrica.ro
<i>Industry</i>	production, transport and distribution of electricity (NACE code 351)
<i>Main activity</i>	production of electricity (NACE code 3511)

Pursuant to the provisions set forth in Law no 15/1990 on the reorganisation of state-owned economic agents as self-regulated entities and companies ("**Law no 15/1990**"), the Government issued Government Resolution no 1199/1990 concerning the establishment of the self-regulated entity Regia Autonoma de Electricitate "Renel" ("**RENEL**").

Subsequently, pursuant to Government Decision no 365/1998, RENEL has been reorganised and the assets and liabilities thereof, except for the assets and liabilities attributable to the Group for Studies, Research and Engineering ("**GSCT**"), have been shared between three newly-established entities, namely: Societatea Nationala de Electricitate SA, Regia Autonoma pentru Activitati Nucleare and Nuclearelectrica SA.

Following the reorganisation of RENEL, S.N. Nuclearelectrica SA was established as joint-stock company pursuant to GD no 365/1998, having as main line of business the production of electricity.

S.N. Nuclearelectrica SA is a company of national interest and is currently the only nuclear power plant in Romania. Nuclearelectrica is also a producer of nuclear fuel, including the production of the nuclear fuel bundles which are used for the Company's own nuclear reactors.

In October 2013, the Company has carried out initial public offer for sale of a package of 25.368.236 shares in dematerialized form, ordinary, indivisible and freely negotiable, with a nominal value of 10 RON/share, representing 10% of the share capital of the Company. On the 04.11.2013, the SNN shares have been admitted to trading on regulated market operated by BSE, Category I (a precursor to the Premium Category), ISIN code ROSNNEACNOR8 and trading symbol "SNN".

During the period of 05.01- 04.02.2015 took place the share capital increase with the cash contribution in the amount of RON 194,382,850 from RON 2,817,827,560 value to the value of RON 3,012,210,410 by issuing a total of 23,917,263 new shares, registered, dematerialised shares, at a price of 10 RON/share, equal to the nominal value (without the premium) of which:

- 19,437,670 new shares in the amount of RON 194,367,700 accounting for the contribution in cash of the Romanian Government through the Ministry of Economy – the Department for Energy, i.e. an amount equal to the government appropriations for the execution of Unit 2 and the financing of works for Units 3-5 of the CNE Cernavoda in the period 2006-2009;
- maximum 4,479,593 new shares in the amount of RON 44,795,930 offered to holders of preference rights in exchange for the contribution in cash of the Romanian Government through the Ministry of Economy – the Department for Energy, and other Issuer shareholders, namely the persons who qualify as shareholders as of record date (22.10.2014), in order to maintain the quota shares in SNN, in accordance with EGSM's Resolution no 8/06.10.2014.

As a result of share capital increase above mentioned, the amount of the registered capital of the Company has reached the amount of RON 3,012,210,410 fully subscribed and paid, corresponding to a total of RON 301,221,041 shares.

2.4.2 Investment

Strategic investment plan of the issuer was carried out so as to meet the need of modernisation and upgrading of systems, both for reasons of an economic nature (specific consumption reductions, improved parameters characteristics of processes served, with positive impact on efficiency) as well as considerations of a legal nature and environment protection (the need to implement some improvements associated to nuclear security, environmental protection and labor security, representing mandatory requirements from the regulatory authorities (CNCAN) and the Ministry of the environment. The table below shows other ongoing investments.

The numbers below are estimates and may be adjusted subject to Company management decision in the coming years.

Name the investment project	Value		The duration of the (2011-2023)
	(mill. EUR)	(mil. RON)	
Tritium Depleting Plant Installation D2O	169	747*	2011-2021
Improving the response of CNE Cernavoda, respective the functions of nuclear safety, in case of events outside of the design, as a result of the nuclear accident occurred at the Fukushima nuclear power plant 1, Japan. ...	85	376	2011-2018
Intermediate warehouse of burned fuel (DAN)	150	661	2011-2040
Software for integrated plant management (Work Management System) ...	43	191	2011-2016
Modernization and expansion of the physical protection System	68	301	2011-2019
Total	515	2.276	-

Source: The Issuer; the exchange rate used is 1 EUR = 4.42 RON * present value according to the current revision of the feasibility study.

One of the priority investments for CNE Cernavoda is the heavy water detritiation facility whose purpose is to maintain a low tritium level during the power plant's cycles. This project will have a significant impact in terms of enhanced employee and environment safety.

Another investment of the Issuer is represented by the Dry Ask Storage („DICA”) which is part of the company's policy for the intermediary management of spent fuel, based on the legal provisions applicable to it. The storage location is located on the site of the CNE Cernavoda and the transport of spent fuel is made on a road which allows the maintenance of a system of integrated protection. The warehouse will be achieved step-by-step, including 27 storage modules, according to the feasibility study, the first of which 9 modules are of type MACSTOR 200 (Modular Air Cooled Storage) with a capacity of 12,000 accelerated mode, the remaining modules will be of type MACSTOR 400 with a capacity of 24,000 bundles per module, according to the development strategy of shifting to DICA the MACSTOR 400 module, that will ensure storage modules for 50 years of fuel burned. By the end of 2014, were completed construction and installation to the module 7 DICA.

In November 2014, the Board of Directors of the Issuer approved the strategy for the development of the DICA, in view of expanding the life cycle of CNE Cernavoda Unit 1 and 2 and the building of CNE Cernavoda Units 3 and 4.

In the year 2000, when the project was originally approved, the MACSTOR 200 storage facility was a state-of-the-art solution, with multiple benefits, but, currently the development strategy has been amended to consider the following:

- (i) the switch to the MACSTOR 400 storage facility is necessary, since the original strategy approved by GSM's Resolution no 1/31.01.2000 was based on the assumption that Units 1 and 2 will have only one cycle, not two. At present, the Company's strategy contemplates the expansion of Unit 1's life cycle, while Company's Management Plan also considers the possibility to start the upgrading process of Unit 2;
- (ii) the project will require several stages of development, considering the number of fuel bundles. If the project for Units 3 and 4 will not be completed, than corresponding storage modules will not be built;
- (iii) the development strategy with respect to DICA refers only to the most likely technical solution, considering the storage requirements for spent fuel from Units 1, 2, 3 and 4, following a request by the Ministry of Environment, Water and Forests to take into consideration the entire location of CNE Cernavoda, with no cost estimations.

In the aftermath of the Fukushima nuclear accident, another Company investment is aimed at strengthening nuclear security within the CNE Cernavoda through improved response time in the event of catastrophes (outside design basis).

Another significant investment project in the period 2015-2026 is the replacement of the piping system in Unit 1 dating back to 1996. As a result of this process, the life of Unit 1 may be extended by 25 years. The preparation stage will last a minimum ten years, while major investments will be required in the period between 2020 and

2025. In addition, it is possible that Unit 1 will require complete shutdown for a period of up to two years, when most replacement work will take place.

Pursuant to the Agreement in principle concerning execution of the project: “Tarnita – Lapustesti Pumped Storage Hydro Power Plant (CHEAP)” approved in the Government of Romania meeting of 16.10.2013, the project-based company Hidro Tarnita SA. Was established on 1 November 2013 having Complexul Energetic Hunedoara SA and S.C. DFEE Electrica SA as shareholders.

In accordance with Romania’s Energy Strategy in the period 2007-2020, approved by GR no 1069/2007, the Romania - Turkey 400 kV submarine cable is a key investment aimed at the long-term sustainability of electricity export in the period 2020-2050, ensuring:

- Discharge of electric power to Turkey, having as indirect consequence an increase in the production of electricity;
- Enhanced safety of the National Energy System;
- The realisation of surplus energy in Romania on markets outside EU;
- More interest around the projects involving CNE Cernavoda Units 3 and 4.

According to the EGSM’s Resolution no 1/11.03.2014, approved follows:

- (1) National Company Nuclearelectrica SA participation in the capital increase of the company Hidro Tarnita SA by incurring a total of 89,000 new shares with a nominal value of RON 100 , issued by the HidroTarnita SA
- (2) the Agreement in principle concerning execution of the project: “The Romania - Turkey 400 kV submarine cable”, approved by the Board of Directors, as well as participation in the establishment of the project-based company “HVDCC Romania- Turcia S.A.”, by underwriting in paying out the RON equivalent of a number of 2,000,000 shares with a nominal value of EUR 1 each.

According to point 3 of EGSM’s Resolution no 2/29.04.2015, regarding the “cancellations of the National Company Nuclearelectrica SA participation in investment projects (i) Central Hidroelectrica with Accumulation by Pumping (CHEAP) Evi-Lapustesti and (ii) 400 kV submarine Cable interconnecting Romania-Turkey and cessation of the validity of the finding in point 2, 3, 6, 7 and 8 of the EGSM’s Resolution no 1/11.03.2014 "could not be expressed on the number of votes necessary for taking a decision.

Fondul Proprietatea SA has filed a court action against S.N. Nuclearelectrica SA claiming the nullity of EGSM’s Resolution no 1/11.03.2014, the action that made the object of the file no 11661/3/2014, the Bucharest Court has denied the Fondul Proprietatea’s claim.

2.5 THE ISSUER’S BUSINESS OVERVIEW

2.5.1 Principal activities

According to the Company's Article of Association, the main object of activity of the Company consists in the production of electrical energy NACE code 3511.

Also, the Company carries out, according to the Article of Association, a number of other secondary activities, as a support and complement to the core business, including sale of electricity (NACE code 3514), electricity distribution (NACE code 3513), capture, treatment and distribution of water (NACE code 3600), industrial gas manufacturing (NACE Code 2011).

The Company produces nuclear fuel (NACE code 2446) necessary for the operation of the reactor at Cernavoda. Collateral, steam is produced (NACE Code 3530) for hot water preparation required for district heating in Cernavoda area, activity carried out by the company under a specific license.

S.N. Nuclearelectrica SA has two branches, respectively CNE Cernavoda (Nuclear Power Plant) and FCN Pitesti NFP (Nuclear Fuel Plant)

CNE Cernavoda branch

Romanian nuclear energy history begins in 1960, but a firm decision regarding CNE Cernavoda construction is taken only in 1977, when an agreement of cooperation in the nuclear field between the Governments of Romania and Canada, is concluded. CNE Cernavoda was designed in the 80's and has five nuclear reactors. The construction of the first reactor started in 1980, followed by the other four reactors in 1982. After 1989, the attention was focused on the completion of unit 1, unit after it was put into operation in 1996. At present, CNE Cernavoda operates 2 reactors, the Unit 2 was put in service in 2007. The reactors has a net installed capacity of 706.5 MW, and respectively 704.8 MW and together, the two reactors account for almost 1/5 of Romania's electricity production. The nuclear reactors of the two units are CANDU 6 reactors designed in Canada by de Atomic Energy of Canada Ltd. Reactors of this type are heavy water moderated and cooled and use natural uranium as fuel.

FCN Pitesti branch

The Nuclear Fuel Plant branch ("**FCN Pitesti**") is located near the town of Mioveni, Arges county, about 25 km from Pitesti. Production of nuclear fuel for CANDU power plants started in the year 1980, through commissioning pilot station as fuel part in the Nuclear Research Institute ("**ICN**") Pitesti. The separation of Nuclear Fuel Plant as a distinct entity was made in 1992. In 1994, FCN Pitesti was authorized by AECL and Zircatec Precision Industries Inc. (Canada) as the producer of nuclear fuel for CANDU 6. In the period 2004-2006, FCN Pitesti, doubled the production capacity in order to ensure the fuel needed for the functioning of two CNE Cernavoda' units. FCN Pitesti produces annually about 10,080 accelerated nuclear fuel for the operation of CNE Cernavoda.

The Company owns a significant participation (100% from the capital) into a single company, respectively in S.C. EnergoNuclear SA, registered at the Register of Commerce under nr. J40/3999/25.03.2009, having unique Registration Code 25344972.

The Company owns a minority stake of 0.29% in Bursa Romana de Marfuri, registered at Trade Registry under no J40/19450/1992, having Sole Registration Number RO 1562694.

Summary of main activities and operations

ANRE has diminished the quota share of the regulated market allotted to the Issuer for the year 2015 at about 21% compared to 35% in 2014 from annual production approximately 2.2 TWh and set a new regulated price (158,63 RON/MWh, with no charge for 2015).

For the first half of the year 2015, the average price of the Issuer in case of regulated market deliveries, was of 158,64 RON/MWh- without Tg included (equivalent price of 168,96 RON/MWh with Tg included). For the second semester of the year 2015, the average price of the issuer in case of regulated market deliveries, is 158,62 RON/MWh- without Tg included (equivalent to 162,66 RON/MWh with Tg included).

In 2015, the energy quantity to be sold by the Company under regulated agreements is significantly lower than in 2014, approximately 21.4% of the estimated production of CNE Cernavoda.

In the first half of 2015, the sales of energy signed contracts by the Issuer on the competitive market, accounted approximately 62% of the total volume of sales of energy and were made on the basis of contracts awarded through auctions organized by the Romania's energy market operator ("**OPCOM**") on the bilateral contracts market for electricity (Centralised Market of Bilateral Contracts through extensive auctions and Centralized the Negotiated Bilateral Contracts Market). Currently, the Issuer has a total of 35 clients on the centralized markets managed by OPCOM.

At the same time, the Company has used the possibilities of trading on spot markets, namely the Day Ahead Market and the Intra-Day Market of electricity, both for selling the surplus energy (in the first half of 2015 amounting to 16.8% of total sales energy), as well as purchase energy in certain times, when its own production did not cover their consumption of contracted quantities and units.

Operating performance of portfolio units of the Issuer can be assessed objectively taking into account the statistical data of the specialized agencies and international publications. According to the ranking conducted by the publication "*Nuclear Engineering International*" (august 2015's Edition), at the indicator "*coefficient*

of use of global installed power" from commissioning to the level of March 2015, CNE Cernavoda units are among the top fifteen nuclear units of total 392 nuclear units in operation worldwide for which there are available data, as follows :

- Unit 2 with a global use of installed power of 93.5% ranks 1st;
- Unit 1 with a global use of installed power of 89.4% ranks 14th.

Also in this indicator, Romania ranks the 1st place in the world, with a coefficient of capacity use in commissioning of nuclear units at CNE Cernavoda 91.4%.

As a result of the nuclear technology used, the amount of energy produced and sold have not significantly fluctuated in the historical period (about 2%), changes were influenced by different durations of planned annual revisions. Units 1 and 2 uses approximately 11,000 annual nuclear fuel bundles, each about 19 kg of uranium. Welds and fuel are transferred from the branch FCN Pitesti to CNE Cernavoda at cost.

Professional organizations where the Company has the quality of member

The Company is an active member of the Association World of Nuclear Operators ("**WANO**"), a non-profit international organization which provides technical support and encourages all operators of nuclear facilities in commercial exploitation to reach the highest standards of nuclear safety. The WANO members operate about 440 nuclear units in more than 30 countries worldwide. The WANO' efforts remain focused on long term goals, a goal being that all plants operating worldwide to achieve and maintain the highest standards of nuclear safety.

In addition, the Company is member of CANDU Owners Inc. ("**COG**") and the European Nuclear Installation Systems Standard ("**ENISS**") (according to the BoD's Resolution no 6/27.04.2012). The COG is a private non-profit organization funded by its members. The COG members include the owners / operators of CANDU reactors / PHWR worldwide, as well as the Candu Energy Inc. the owner of CANDU technology.

In addition, the Issuer is an active member of Romanian Atomic Forum Association – ROMATOM, Romanian legal entity, non-profit, non-governmental.

Further Strategy Project Units 3 and 4 of CNE Cernavoda

Further Strategy Project of CNE Cernavoda Units 3 and 4 by organizing a procedure for the selection of investors was approved by the EGSM of S.N. Nuclearelectrica SA, dated August 22th, 2014.

The strategy aims to create a joint venture ("**JV**") within the meaning of art.50 of Law no 137/2002, between the National Company Nuclearelectrica SA and a selected private investor, in order to transfer the value invested by SNN in the subsidiary EnergoNuclear SA. With a two-year duration, duration modified by mutual consent, JV represents the company prior to the company Independent Power Producer type ("**IPP**"), in order to reevaluate, under current conditions, the project feasibility, asset valuation, taking decision regarding the contracting of engineering works, procurement and construction, obtaining the necessary permits and approvals for the beginning of the works, including the support measures which will be given to the project, in terms of national and community legislation and taking the final decision for investment in order to bring forward to implementation stage of the project and later in IPP stage.

On October 15th, 2014, after analyzing submitted documentation of intent (investor experience in similar projects, financial capacity etc.) China Nuclear Power General Corporation ("**CGN**") has been appointed selected investor for development the Unit 3 and 4 CNE Cernavoda' project and on October 17th, 2014 was signed the joint letter regarding the intention of project's realization.

The negotiation regarding the memorandum of understanding about the development, building, operating, and decommissioning of the CNE Cernavoda' Unit 3 and 4 were completed – a document that aims to define and agree the principles for negotiation of the investment agreement - being endorsed by the Issuer's BoD and the Interministerial Negotiation Commissions and approved by the Romanian Government in September 2th 2015. After signing the memorandum by the both parties, the Company and CGN will enter in negotiation process for the initiation and completion of the strategy' final stages: the negotiation of the investors agreement and the new project oriented company's article of association; the forming of the JV in which CGN will hold at least 51% of the share capital, the future corporate governance of JV and the financing structuring for Project development. The memorandum for understanding can be accessed on the Company's website at www.nuclearelectrica.ro, in the Investors Relation section, Annual General Meeting.

2.5.2 Main market

The Romanian electricity market

Romania holds a balanced portfolio of energy capacity, comprising both nuclear energy, fossil fuel energy, water energy and other renewable sources. Green energy is a market segment in full expansion.

Romania currently holds the largest electricity production sector in South-Eastern Europe. This leading position has been strengthened in recent years through the development of renewable energy, such as wind and photovoltaic power systems.

Romania has a very wide range of primary energy sources, both non-renewable and renewable, which gives the country some of the highest levels of energy independence in the European Union, together with other countries such as Denmark or. On the other hand, there are countries such as Cyprus, Malta and Luxembourg, which are totally dependent on outside energy supply.

One of the most significant contributors to Romania's increased energy independence was the going in service of CNE Cernavoda Reactor 2 in 2007, at that moment, Romania's energy independence was somewhere below 70%. In 2011, the country's primary energy production was at around 27.8 million tep, slightly above 2010, but 5% below the record production of 2008. In the first semester of 2015, electricity production was based on water (30.70 %), coal (25.60 %), nuclear fuel (17.11%) si wind (12.20%), the last one with an appreciation of 3.49% related to the same period of 2014.

The structure on types of electricity delivered by manufacturers in networks dispatcher units	2014	2013
	(%)	
Water.....	31.42	28.30
Coal	27.30	29.00
Nuclear	18.56	20.60
Gas	12.37	14.70
Wind	9.18	7.10
Solar	1.01	-
Biomass	0.11	-
Heavy fuel...	0.06	0.20

Source: Transelectrica, The consumption evolution of the electric power production and the balance of cross-border transactions for the first half of 2015

Until 2000, energy consumption has contracted every year as market adjustment following the collapse in demand from the industry after the fall of communism in 1989. The situation stabilized only after 10 years with a first revival in 2000. A significant impact on electricity demand had financial crisis, whose effects were felt fully in 2009 (contraction of over 12% annually). Although energy consumption has increased both in 2010 (+ 0.6% annually) and in 2011 (+1.8% annually), more than 10% are recovered to pre-crisis levels return to. In 2012 has registered a decrease in energy consumption of 2.57%.

Higher consumption in 2011 is mostly explained by growth of industrial production (+ 1.9% annually), given that the industry is the largest consumer of primary energy, 31% of final energy consumption. Given that industrial production contracted in 2012 (-0.7%) and energy consumption declined as profit. In terms of electricity generation, turning on the Unit 2 CNE Cernavoda marked increasing the proportion of nuclear resources in power generation from 9% in 2006 to 18.56% in 2014 (or 11.6 TWh). Most of the electricity produced in Romania rely on coal and hydropower resources, constantly covering approximately 60% of gross production.

In 2014, Romania electricity supply is provided by 87 of the participants in the electricity market. Of these, 28 operates exclusively on the wholesale market, while the majority (59 suppliers) are active both on the retail and wholesale-in this category are included the default providers.

In 2014, S.N. Nuclearelectrica SA registered by the two units of the branch CNE Cernavoda an electricity production of 11.675.572 MWh, 6 (gross), 0.5% higher compared to the made in the previous year (11.618.407, 1 MWh), due to shorter durations of unplanned shutdowns. According to data from the year 2014, the production

of electric power of the Npp has represented 18.56% from the total shot in Romania, down 20.6% in 2013. In 2014, the issuer has supplied the national power system in a quantity of GWh of energy 10.739,1 of which about 35 percent went to market regulated, captive, according to the ANRE' decisions. In the first semester of 2015, the Issuer has delivered to the national power grid an amount of 5102.7 GWh of energy.

Basket regulated energy market created for 2014 consists of energy produced by Hidroelectrica SA for approximately 5.3 TWh and S.N. Nuclearelectrica SA of approximately 3.7 TWh. The basket regulated energy market created in 2015 with a total of 6.4 TWh, consists of energy produced by Hidroelectrica SA for about 4.16 TWh and S.N. Nuclearelectrica SA about 2.25 TWh. In calculating the average price of regulated contracts for S.N. Nuclearelectrica SA for 2015 (158,6 RON/MWh) was included for 2015 which relates to tax on rent (determined under the provisions of Emergency Government Ordinance no 102/15.11.2013 in force on establishing date of the regulated prices) as well as a component of about 4.25 RON/MWh, representing additional costs equal to half of the costs incurred in the year 2014 generated by the imposition of the special construction tax (the value corresponding to first half of the year 2014, the cost of special construction tax being recognized only for the second half of the year 2014, along with price adjustments in regulated contracts made in June 2014).

The ANRE lowered the quota for regulated market assigned to the SNN for 2015 at 21.4% of forecasted production of CNE Cernavoda and set a regulated price thereby allowing a wider participation of the Issuer on the competitive market. ANRE sets the price that producers are bound to sell energy on the regulated market, in order to cover economic justified costs and allow a minimum profit (maximum 4% applied at recognized costs).

In the first half of 2015, the Company sold approximately 78.89% on the competitive market in electricity sold. Most of the amount was sold on the basis of agreements concluded on the centralized markets operated by OPCOM (PCCB, PCCB-LE si PCCB-NC) in percentage of 62,06% and 16,83% represented sales on the spot market (PZU). The number of customers with whom the Issuer has contracts on competitive market in the first half of 2015 was 32.

Description of the most important trends affecting the company and the industry in which it operates

Short description:

- Are viable sources of electricity, with a duration of operation which can be extended up to 60 years;
- The cost of electricity is competitive;
- In normal operation, environmental pollution is virtually absent, in plus the impact of the operation on greenhouse effect gas emissions is almost neutral;
- Small amounts of fuel are used in order to produce a large amount of electricity;
- The amount of radioactive waste produced is very small compared to those resulting from the classical power plants;
- Initial capital costs (investments) are great, but the costs of operation and maintenance are relatively low and predictable.

The cost for the production of nuclear energy is already competitive compared with other technologies for the production of energy, such as wind energy and the energy produced on the basis of coal with carbon capture and storage. In addition, nuclear energy has additional advantages as opposed to technologies for capturing and storing carbon. Nuclear energy uses a dedicated technology and provides a production capacity in band, in a constant supply of electricity from a fluctuating production. Although nuclear power plants require large capital investments, cost per MWh of nuclear power relative to lifetime is competitive. Thus, control over the cost of capital is essential in nuclear power stations.

Under the proposal of Romania's Energy Strategy for the period from 2011 to 2035, made of MEIMMMA, until the year 2035, Romania intends to stop energy groups which has an installed power of 11,066 MW (8,899 MW power neta), representing about 55% of the installed capacity at present. For the entire period up to the year 2035, the withdrawal from the forecasted capacity with life span expires will result in a deficit or a necessary new power net of about 13,540 MW, which must be compensated by installing new power.

According to Romania's Energy Strategy, to ensure domestic energy requirement of Romania after 2020 and independence from foreign imports, MEIMMMA has developed the strategy of continued project "Units 3 and 4 CNE Cernavoda", which was approved by the EGSM's Decision no 7 of 22.08.2014. After completing the first stage of the procedure for the selection of private investor for realization of the project, the company's China General Nuclear Power Corporation has been selected as investor selected for continuing the project

and in case of successful completion of subsequent stages of the project, will assume the role of majority shareholder in the company which will develop the project Units 3 and 4 CNE Cernavoda.

The structure of the Romanian electricity market

Electricity market from Romania has witnessed a new round of liberalization since 1 January 2007 as a result of the implementation of the European Directives 2003/54/EC and 2009/72/EC of the European Parliament and of the Council (the "**second Energy Package**"). As a result, liberalisation of the electricity supply market is ongoing and full liberalisation is scheduled to be completed by 1 January 2018, when regulated tariffs for electricity supplied to household consumers which have not exercised the right of eligibility to change their supplier will be eliminated. For non-household consumers (excluding those assimilated to the household consumers), regulated tariffs for electricity were eliminated from January 1, 2014.

It is noticed that deregulation and stimulating competition, at which Romania is obliged to adhere to, are of major importance and should be covered thoroughly. Romania has already adopted a large part from European legislation related to electricity and natural gas, but there are a number of provisions to be transposed into national laws -in particular those related to consumer protection and the duties of the regulatory authority in the field of energy. Ensure proper protection for consumers and a clear list of the ANRE' obligations, are priorities from the point of view of the European Commission.

Electricity market principles are currently regulated primarily by the Law of electric power and gas, no 123/2012 and amended ("**Energy Law**") and detailed in secondary legislation including government decisions, resolutions and orders issued by ANRE. Among these principles we mention non-discriminatory and regulated access of all participants to the electricity market, transparency of electricity tariffs, prices and fees, improvement of the competitiveness of the internal electricity market and active participation in the formation of both the regional market and internal electricity market of the European Union and development of the cross-border electricity trading.

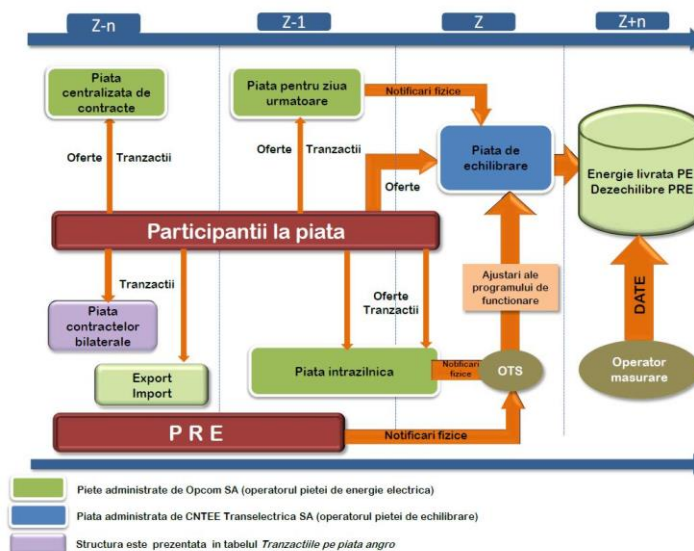
According to the Energy Law, the Romanian electricity market is divided into a regulated market and a competitive market, with each of these markets having a wholesale and a retail component.

Regulated Market is composed of the totality of relationships arising from or in connection with transactions of sale and purchase of electric energy in amounts and at regulated prices, transactions on this market unfolding on the basis of regulated contracts and serves mainly the consumption of final consumers which have not exercised their eligibility rights, by providing correlated transactions between producers and suppliers of last resort. Prices are regulated on the basis of ANRE' methodologies and resolutions.

The competitive market comprises all the business relations arising from or in connection with the buying and selling of electricity based on terms and conditions regarding the prices and quantities established through direct negotiation or balancing of demand and supply through intermediation.

The wholesale electricity market

The schematic structure of the wholesale electricity market is presented in the following diagram:



Source: ANRE

The wholesale electricity market is the organized framework where electricity is purchased by suppliers/consumers from producers or other suppliers, for resale or consumption purposes, as well as by the power grid operators for their own technological consumption. Thus, the wholesale market includes all transactions performed between participants, except for transactions to end consumers of electricity, which are made on the retail market. The size of wholesale market is determined by the totality of transactions performed by the participants, exceeding the production quantity physically transmitted to the consumer. The market also includes re-balance transactions as well as transactions for financial benefit only. The following participants are allowed access on the wholesale electricity market: electricity producers and self-producers, suppliers and power grid operators.

In Romania buying and selling wholesale electricity is done through bilateral contracts on the regulated market, on the Centralized Market of Bilateral Contracts – the way to trade contracts by extended tender ("**PCCB-LE**"), Centralized Market of Bilateral Contracts with Continuous Negotiation ("**PCCB-NC**"), the Intra-Day market ("**PI**"), the Day Ahead Market ("**PZU**"), the Centralized Market for Bilateral Contracts with Double Continuous Negotiation ("**PC-OTC**"), the Centralized Market for Universal Service ("**PCSU**") and the Electricity Market for Large Consumers ("**PMC**"). These markets are managed by OPCOM that ensures the transparency of prices for electricity.

*Centralized Market of Bilateral Contracts - the method of trading extensive tender contracts ("**PCCB-LE**")* is the most significant wholesale market that based on the amount of electricity traded.

*Centralised Market of Bilateral Contracts with Continuous Negotiation ("**PCCB-NG**")* is open to producers, suppliers and grid operators and has a higher degree of standardisation than the PCCB-LE in terms of quantity, load profile and delivery period. The volume of transactions performed on this market is much lower than that on the PCCB-LE.

*Centralized Market for Universal Service ("**PCSU**")* - provides trading opportunities for suppliers of last resort for the purchase of electricity to cover the electricity consumption billed to end customers of CPC rate price in universal service regime. This market is not mandatory for the producers.

The Regulated Market is the regulated component of the wholesale electricity market that ensures supply, at regulated tariffs, to household and non-household consumers that have not exercised their right to choose their supplier.

*The Day-Ahead Market ("**PZU**")* - it is a component of the wholesale electricity market on which is performed fixed hourly transactions of electricity with next day delivery of the trading day.

*Intra-Day market ("**PI**")* is a part of the wholesale electricity market where fixed hourly transactions of active electricity are concluded for each trading interval of the corresponding delivery day, starting with the day before delivery day after the PZU trading has finished and until a certain time interval before starting the delivery/consumption. The Intra-Day Market provides an additional functional tool for participants in order to

adjust their contracting portfolio and to achieve the balance between the bilateral contracts, load forecast and technical availability of the production units for the delivery day on hourly basis, closer to delivery moment. The contracted electricity surplus or deficit can be managed through selling or buying electricity on PI. Since, the contribution of electricity produced from wind and solar source in Romania is increasing, the supply and demand imbalances are occurring. Therefore, OPCOM has developed an intra-day electricity market, in order to reduce such imbalances by enabling to participants to trade electricity for each hourly delivery interval up to two hours before the relevant delivery time.

The balance market, which provides cover for the differences between notified production and estimated consumption. The participants are financially liable for any recorded imbalances.

The Centralised Market for Services of Technological System - all electricity producers have an obligation to ensure delivery reserves and maintain the availability of primary reserves in order to be traded on the market for technological system services, by Transelectrica. The producers who trades on this market, have the obligation to offer on the Balancing Market a minimum quantity of electricity corresponding to the volume of technology system services contracted.

The Centralised Market for the allocation of International Interconnection Capacities - the allocation of interconnection capacity for import is done through implicit auctions, separately for imports realised under contracts, for periods of up to one year and for the transactions on PZU. The allocation of interconnection capacity, for long-term export contracts, are made by the authorities of the neighboring countries and the unsplit quantities are allotted through implicit auctions on the PZU. For the export or import of the electricity from/in Romania, a supply/trading license is required. A participant must be registered on the Balancing Market and must participate in auctions for the allocation of interconnection capacities.

The retail electricity market

The flowchart below shows the structure of the retail electricity market:



Source: ANRE

The retail electricity market is the market segment where electricity is purchased for own consumption and transactions take place between suppliers and consumers of electricity.

Electricity Contracts

In the pursuit of its business, the Company enters into industry-specific contracts for the purchase and sale of electricity on a regular basis.

The Company executes contracts for the sale of electricity, including:

- contracts for the regulated market executed with suppliers of last resort for the supply of electricity to regulated consumers
- contracts for the sale and purchase of electricity on PCCB-LE, on PCCB-NC and PCSU market; negotiated contracts for the purchase and sale of electricity (supply);

Contracts for regulated market - for the sale of electricity on the wholesale market, the Company has entered into purchase and sale contracts with the suppliers established by ANRE (suppliers of last resort), in order to

provide to their consumers charging on regulated tariffs, with the hourly quantities of electricity set in accordance with the regulations issued by ANRE.

The terms and conditions of the contracts above mentioned have been established in accordance with the master contract for the sale and purchase of electricity executed between electricity producers and the suppliers of last resort for electricity to regulated consumers, as approved by ANRE's Order no 43/2010.

The Company has the obligation to apply regulated tariffs with regard to all industry-specific regulated contracts, both for the sale of energy by SNN and for transmission services (electricity transmission to power grid tax), as approved by ANRE on a regular basis.

Sale and purchasing contracts of energy on PCCB-LE and PCCB-NC - the Company has signed contracts for the sale of a significant part of its production of electricity on the competitive market, which have been awarded by public tender procedure carried out by OPCOM, specific to this market. The PCCB-LE's selling energy contracts, used by the Issuer to OPCOM, have the standard structure and provisions imposed by the legislative provisions, same provisions being imposed to all participants in PCCB-LE. PCCB-LE's contracts addendum have been prepared by the Company according to the specific trading company's clauses. The buyers set by PCCB-LE auctions, are companies licensed by ANRE as competitive suppliers, manufacturers, distributors or energy transporters. Contract prices shall be those resulting from auctions.

Some of the contracts on PCCB-LE are executed between the Company and electricity distributors in order to cover their technological consumption of their own grids, by buying the hourly quantity of electricity in accordance with the specific regulations issued by ANRE.

The purchase of electricity on the spot market (PZU and PI) - the Company is allowed to perform transactions on the PZU pursuant to the agreement executed on 16.06.2008 with the OPCOM. OPCOM's role on PZU is that of central counterparty, OPCOM acting as sole buyer of the energy sold by the Company. The settlements on PZU are made only by OPCOM and are executed in 48 hours from the energy delivery. As of 19.11.2014, the Romania's PZU market operates on-line with the markets from the Czech Republic, Slovakia and Hungary through the coupling mechanism by price, project known as 4M MC. The PZU's rules are stipulated in the "*Rules of organization and functioning of day-ahead market for electricity with respect of coupler price mechanism of markets*", approved by ANRE's Order no 82/2014, as amended and supplemented.

On 07.11.2011, the Company concluded with OPCOM a convention of participation in transactions, in order to sell the unsold remained electricity after the conclusion of spot transactions on the PZU and to have an additional energy source replacement, in case of unplanned shutdowns at the CNE Cernavoda's units.

Negotiated sale and purchase energy contracts - the Company currently carrying out a contract with Transelectrica SA, under which provision is made by the Issuer and the acquisition by Transelectrica SA of an electricity necessary to the ancillary services 400kV Cernavoda power station. The contract was signed in 2000 and increases annually by addendum and renegotiation of the contractual price. Additional Act in force expires on 31.12.2015.

On 30 June 2015, SNN has contracted on OPCOM markets (CMBC-LE, PCCB-NC, and PCSU) an amount of 6,686,254 MWh, representing 63.61% of electricity production forecasted to be delivered on the electricity networks in 2015 (10,510,355 MWh - an estimate of unplanned stops) at a weighted average price of 162.34 RON / MWh, with the transmission tariff ("Tg") included, value influenced by Order no 89/2015 on amendment regional tariffs for the transport service for the introduction of electricity to the grid (Tg) starting with July 2015)

Convention on the participation of the balancing market and Convention for how to balance responsibility - the Company acts as participant on the balance market, but also as Balance Responsible Entity, in accordance with the standard agreements executed with Transelectrica SA on 01.07.2005, having as subject the purchase and sale of electricity between the parties as a result of dispatch of energy production according to actual consumption on National Energetic System ("SEN"), or as a result of imbalances between the quantities of energy produced and sold by the Company, which have been offset by Transelectrica S.A. on the balance market, in accordance with the legislation in force.

Convention to participate in the Green Certificates Market - the Company is entitled to participate both on the Centralised Green Certificates Market, pursuant to the Agreement of participation on the Green Certificates Market ("PCV") executed on 10.09.2014, as approved and amended in accordance with the provisions of

ANRE's Approval no 7/22.01.2014 and the Addendum to Agreement of participation on the Green Certificates Market dated 10.09.2014 executed for an unlimited period of time. The Agreement was concluded between the Company as participant to PCV and OPCOM as operator of the green certificates market in accordance with the primary and secondary legislation applicable to the Green Certificates Market.

Note that, the obligation to purchase green certificates depends on the amount of electricity supplied by the Company to the final consumers. Considering that the Company currently has a contract for the supply of electricity to the final consumers (the contract concluded between the Company and Transelectrica SA for about 1,200 MWh per year) the number of green certificates to be acquired by the Company, is reduced.

There were no extraordinary factors occurred at the end of the period covered by the latest published audited financial statements which significantly influence the information available in this section.

Licenses issued by ANRE

In accordance with the Regulation concerning the granting of licenses and authorisations in the field of electricity, approved by Government Decision no 540/2004, the distribution of electricity and the production of electricity and heat by co-generation are subject to specific licenses issued by the ANRE. As of the date hereof, the Company holds the following licenses issued by the ANRE:

- a) Licence no 5/03.12.1999 for the production of electricity granted by ANRE's Decision no 80/03.12.1999;
- b) Licence no 244/26.03.2001 for the production of heat granted by ANRE's Decision no 341/26.03.2001;
- c) Licence no 962/21.10.2010 for the supply of electricity granted by ANRE's Decision no 2597/21.10.2010.

Authorisations in the nuclear field issued by the CNCAN

In accordance with art. 8 para.(1) and 24 (1) of Law no 111/1996, as amended and supplemented, regarding the safe operation, regulation, authorisation and surveillance of nuclear activities, market operators should hold specific authorisations issued by The National Commission for the Control of Nuclear Activities (CNCAN), subject to specific authorisation procedures.

The specific authorisation owned by the Issuer:

CNE Cernavoda:

- Authorization for carrying out activities in the nuclear field no SNN CNE Cernavoda U1-01/2013 valid till 2023;
- Authorization for carrying out activities in the nuclear field no SNN CNE Cernavoda U2 valid until 2020.

FCN Pitesti:

- Authorization for carrying out activities in the nuclear field no DN/005/2014, issued by CNCAN at January 31, 2014, to produce nuclear fuel;
- Authorization for carrying out activities in the nuclear field no DN/07/2014, issued by CNCAN at January 31, 2014, for the supply of raw nuclear materials, nuclear fuel type CANU-6, radioactive waste material of nuclear interest and dual-use materials;
- Authorization for carrying out activities in the nuclear field no DN/04/2014, issued by CNCAN at January 31, 2014, for the processing of raw materials;
- Authorization for carrying out activities in the nuclear field no DN/001/2014, issued by CNCAN at January 31, 2014, for possession of sealed sources of ionizing radiation, open sources of ionizing radiation, radiological installations with sealed sources of ionizing radiation, radiological installations with open sources of ionizing radiation generating devices of ionizing radiation, nuclear plants for processing nuclear raw materials, nuclear fuel radioactive waste material of nuclear equipment and devices provided in GD. 916/2002;
- Authorization for carrying out activities in the nuclear field no DN/003/2014, issued by CNCAN at January 31, 2014, handling sealed sources of ionizing radiation, ionizing radiation unsealed radiological installations sealed sources of ionizing radiation and radioactive waste;
- Authorization for carrying out activities in the nuclear field no DN/002/2014, issued by CNCAN at January 31, 2014, the use of sealed sources of ionizing radiation, ionizing radiation generating devices and radiological installations with sealed sources of ionizing radiation;

- Authorization for carrying out activities in the nuclear field no DN/006/2014, issued by CNCAN at January 31, 2014, the temporary storage of nuclear materials, nuclear fuel CANDU-6 and radioactive waste;
- Authorization for carrying out activities in the nuclear field no FCN-transpor-01/2014, issued by CNCAN at January 10, 2014 issued for the transport of the radioactive material;
- Authorization for carrying out activities in the nuclear field no PD/178/2011 for possession of unpublished information within the branch "Nuclear Fuel Factory", issued by CNCAN, at November 21, 2011;
- Certificate of designation No ODA 04/2014 issued by CNCNA October 17, 2014, for appointment as a body dosimetry and radiation protection dosimetry laboratory accredited staff of the Nuclear Fuel Plant;
- Authorization for the quality management system in the nuclear field no 14-038 of September 18, 2014, issued by CNCAN for manufacturing activities in the nuclear field;

2.6 ORGANIZATIONAL STRUCTURE

According to a comprehensive interpretation, may be considered that having as majority shareholder the Romanian State, the Issuer is part of the group of companies held by the State, subject to the provisions laid down in GEO no 109/2011 on the corporate governance of public companies; this relationship is not similar to affiliation, except for the common enforcement of legal provisions applicable to companies in the public sector that are majority state-owned.

The Company is not part of a group. The Issuer owns shares in one company, respectively Energonuclear SA, registered at the Trade Register under no J40/3999/25.03.2009, with Sole Registration Code 25344972; the company that was founded with the sole purpose of development and accomplishment of the Project regarding the implementation of Units 3 and 4 CNE Cernavoda. The objects of activity of Energonuclear SA is restricted to pre-project related work of Units 3 and 4 CNE Cernavoda, having as main object of activity, engineering and technical consultancy activities related to it, NACE Rev. 2 code 7112.

Currently, the Company currently has two (2) subsidiaries in Romania, namely the branch "*NPP Cernavoda*", headquartered in Cernavoda, 2nd, Medgidia str., registered at the Trade Register under no J13/3442/11.10.2007, which exploits the units 1 and 2 of the NPP as well as auxilliary services and branch "*FCN Pitesti*", based in Mioveni, 1st, Campului str., registered at the Trade Register under no J03/457/24.08.1998.

The Company organization chart is annexed to this Prospectus (**Annex 1**).

2.7 TRENDS INFORMATION

In January- August 2015 the following factors influencing the financial situation of the Issuer:

- Falling the sale prices of electricity on the competitive market to levels similar to regulated prices on those the SNN sales the electricity on the regulated market (comparison versus trading prices on PCCB);
- Starting with 2014, companies are subject to the mandatory requirement concerning the determination and payment of tax on special constructions. The tax is 1.5% of the special construction value held by the Company as assets as of 31 December of the previous year. In 2015, the value of the tax was 1% of the special construction value held by Company as assets of 31 December of previous year. The tax on special constructions owed by the Company has increased the operational expenses and has deteriorated the profitability of the Company. Starting with 2015, the Company applied the IFRIC 21 provisions and recognized this expense since 1 January 2015, such as the profit of the first semester of 2015 was influenced significantly. The special construction tax has been recognised by the ANRE in the regulated price as of July 2014, but only for second semester of the 2014. The ANRE recognised the difference in the regulated tariff in 2015.

2.8 PROFIT FORECASTS OR ESTIMATES

The Issuer has decided not to include in this Prospectus a profit forecast or estimate.

2.9 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

2.9.1 Management and supervisory bodies

According to the Articles of Association, the corporate management bodies of the company are as follows: (i) the General Meeting of Shareholders and (ii) The Board of Directors. Besides, the Internal Audit Department operates within the Company, the Company having concluded a contract with an independent auditor.

The Board of Directors

The Company is administrated under the unitary system. The Board of Directors (“**BoD**”) is made up of 7 persons appointed by the OGSM’ Decision for four (4) years, with the possibility to be re-elected.

Through the OGSM’ Decision no 1/29.04.2015 Mr Stanescu Nicolae-Bogdan Codrut was elected as member of the BoD. As a result, the mandate of the provisional adminsitator, Mrs. Ioana Alina Dragan, previously appointed by the BoD, ceased.

According to OGSM’ Decision no 8/25.04.2013 the new executive / non-executive directors were approved, in compliance with the provisions of the Government Emergency Ordinance no 109/2011 on the corporate governance of public companies, following the selection procedures carried out by the Ministry of Economy through the personnel recruitment company Quest Advisors.

From the date of this Prospectus the Board of Directors has the following composition:

Name	Position	Appointment date	Date when the mandate expires
Alexandru Sandulescu	Member and Chairman	25.04.2013	25.04.2017
Alexandru Alexe	Membru si Vice-chairman	25.04.2013	25.04.2017
Daniela Lulache	Member	25.04.2013	25.04.2017
Carmen Radu	Member	25.04.2013	25.04.2017
Dan Popescu	Member	25.04.2013	25.04.2017
Sebastian Tcaciuc	Member	23.12.2013	23.12.2017
Stanescu Nicolae Bogdan Codrut	Member	29.04.2015	25.04.2017

Source: The Issuer

Alexandru Sandulescu - is the Chairman of the Board of Directors of the Company. Mr. Sandulescu is senior Advisor on energy policy within the Office of the Prime-Minister of The Republic of Moldavia, within the ‘EU High Level Policy Advisory Mission’, project financed by the EU and implemented by the United Nations Development Program (UNDP). During the 30 years of professional experience he has acted in the research field, has taken part in establishing the strategy to restructure the energy sector in Romania and has been member of Boards of Directors and representative of the state in General Meetings in the energy field state companies. Starting with 2006 until 2013, he was the General Manager of the General Department for Energy and Environment within the Ministry of Economy, having taken part in the elaboration of the national energy Strategy and in the preparation of energy policy documents, according to the EU policy. Before, for 7 years, he had been on management positions within ANRE, having contributed to the establishment of OPCOM, to the development of national energy strategy and to the development of international cooperation. Mr. Sandulescu graduated the Faculty of Power Engineering and is a PhD holder, in the field of energy, at the Polytechnics of Bucharest.

Alexandru Alexe - has 37 years of professional experience, out of which the biggest part is in management positions, including positions of member of Boards of Directors of well-known big companies. During his activity, he gathered a wide experience in the relationship with the regulatory institutions in the field of energy, as well as with the international institutions. Moreover, he contributed to numerous privatization and

restructuring projects of some companies acting in the field of energy, including the nuclear energy field. Mr. Alexe graduated the Polytechnics Institute of Bucharest.

Daniela Lulache – is member of the Board of Directors and General Manager of the Company. Daniela Lulache, was an advisor to the Vice-Governor of the National Bank of Romania. Out of more than 18 years of professional experience, she was, for 4 years, Deputy Manager, General Manager and Chairperson of the Directorship of Fondul Proprietatea SA, a shareholder of numerous companies acting in the energy field, among which Nuclearelectrica SA. During her professional activity, she was actively involved in introducing corporate governance principles in companies that belonged to the state and negotiated with international financial bodies (the IMF, the World Bank). Ms. Lulache graduated the University of Economic Studies.

Carmen Radu – is the President of the Directorship of the Financial Supervisory Body. She has more than 35 years of professional experience, among which more than 21 in administrative/management positions. She has a good knowledge of the legislation in the financial field and she took part in the elaboration of the legislation (she managed the Romanian-German work group that elaborated and introduced for the first time in Romania the legislation regarding the Global Tax Revenue). Ms. Radu graduated the University of Economic Studies, being holder of PhD in economic studies and member of some professional bodies in the financial field.

Dan Popescu - is the Secretary-General of the Nuclear Agency for Radioactive Wastes, after an experience of 30 years in various technical and management functions in the field of nuclear energy. Besides, he is also member of the Board of Directors of the National Institute for Research and Development in Physics and Technological Engineering. Mr. Popescu was member of various committees and internal and international delegations (such as member in the Committee for the Coordination of the Global Partnership of Nuclear Energy), elaborated specialized works in the nuclear field, coordinated engineering projects for construction-assembling and putting into operation works for a series of nuclear investment objectives. After having graduated the Power Engineering Faculty, Nuclear Energy Centers Specialization, Mr. Popescu continued his theoretical education by taking part in a series of improvement courses in his field of activity.

Sebastian Gabriel Tcaciuc - was elected, at the end of 2013, as non-executive independent member with the Board of Directors of SNN by cumulative vote, upon the proposal of Fondul Proprietatea SA. He has extensive experience in the financial and banking field, his most recent appointment being as Investment Director with the Advent International private equity fund, while previously acting as Capital market analyst with ING Bank, Treasury Analyst with Alpha Bank and Investment Analyst with Delta Lloyd Investment Research. Moreover, he was a non-executive member in Board of Directors of Brikston Construction Solution SA Iasi, CFR SA, Deutek SA, Regina Maria – the Private Healthcare Network, LaborMed Pharma SA and Roma Plastik AS (Turkey). Mr. Tcaciuc graduated the (Bucharest) University of Economic Studies and the (Budapest) Central European University and is certified as Chartered Financial Analyst (CFA Institute).

Bogdan Stanescu – Mr. Stanescu is member of the Board of Directors elected within the General Meeting of Shareholders from 29.04.2015. Currently he is the General Manager of the General Department of Companies, part of the Ministry of Energy, Small and Medium Size Enterprises and Business Environment with responsibilities in management activities' coordination of companies included in Ministry's portfolio, including the participation in IPP or IPO privatization commission and preparation of normative acts initiated by the Ministry. He has a vast experience in public companies' management field before and after privatization, activity focused on complex juridical, analytical and administrative issues of public companies carried out in distinct organizations. He was an advisor to the Vice-Governor of the National Bank of Romania („NBR”), personal advisor to the Minister of Economy and held various management positions or acted as legal expert within APAPS and later within the Authority for State Assets Recovery („AVAS”), coordinating the entire juridical activity in fields as privatization, post-privatization and management of companies within AVAS's portfolio.

According to the statements of the members of the administration, management and supervisory bodies of the Issuer mentioned above:

- (i) among the members of the administration, management and supervisory bodies there is no family relationship;
- (ii) no member of the administration, management and supervisory bodies was sentenced for eventual fraud during the last five years;
- (iii) no member of the administration, management and supervisory bodies acted with similar capacity for a company that entered bankruptcy procedure, dissolution or liquidation during the last five years;
- (iv) during the last five years, no member of the administration, management and supervisory bodies was incriminated or publicly officially sanctioned by the regulatory bodies or by the professional bodies

and was disqualified by the court to act as member of the administration, management or supervisory bodies of an Issuer or to act for the management and business development of any issuer.

The companies where the previously mentioned persons were members of an administration, management or supervisory body during the last 5 years are presented below:

Name	Company	Position	Period	Current position (Yes/No)
Sandulescu	S.N. Nuclearelectrica SA	Member of the BoD	From 2010 – present	Yes
Alexandru		Chairman of the BoD		
	SC Energonuclear SA	Member of the BoD	2009 - 2015	No
	SC EOn Moldova Distributie SA	Member of the BoD	2009 - 2013	No
	CN Transelectrica SA	Member of the BoD	2006 – 2011	No
	SC Termoelectrica SA	Member of the BoD	2011 – 2012	No
		Chairperson of the BoD	2012	
	SC CE Rovinari SA	Member of the BoD	2007 - 2010	No
	SC Hidroelectrica SA	General Meeting Member	2006 – 2011	No
	SC Electrocentrale Deva SA	General Meeting Member	2007 – 2011	No
Radu Carmen	Romanian Loan Guarantee Fund	President of Directorship	March 2015 - present	
	Romanian Loan Guarantee Fund	Member of the Supervisory Body	August 2012- March 2015	Yes
	ASF	Economic Manager	December 2012 – March 2015	No
	SNN	Member of the BoD	April 2013 - present	Yes
	Romatsa	Member of the BoD	April 2013 - present	Yes
	Romanian Chamber of Fiscal Consultants	President of the Statutory Auditors Commission	June 2012 – present	Yes
	ADF Audit Management SRL	Sole shareholder and Administrator	2009 – present	Yes
Daniela Lulache	SN Nuclearelectrica SA	General Manager and Member of the BoD	April 2013- present	Yes
	SAPE	Non-executive administrator	August 2014 – present	Yes
	SC Eqvon Finance SRL	Managing Partner	2010 - 2012	No
Dan Popescu	National Institute for Research and Development in Physics and Nuclear Engineering – Horia Hulubei	Member of the BoD	June 2006- July 2014t	No
	SN Nuclearelectrica SA	Member of the BoD	April 2013-present	Yes
Sebastian Gabriel Tcaciuc	Deutek SA	Member of the BoD	2007-2013	No
	Brikston Construction Solutions SA Iasi	Member of the BoD	2007 - present	Yes
	CFR SA	Member of the BoD	2013-2014	No
	Regina Maria	Member of the BoD	2010-2012	No
	LaborMed Pharma SA	Member of the BoD	2008-2011	No
	Roma Plastik AS	Member of the BoD	2006-2011	No
	SAI Euxinus Capital SA	Member of the BoD	2015 – present	Yes
	S.N. Nuclearelectrica SA	Member of the BoD	December 2013 – present	Yes
Alexandru Alexe	S.N. Nuclearelectrica SA	Member of the BoD	2010 – April 2013	No
	S.N. Nuclearelectrica SA	Member of the BoD	May 2013 – 2015	Yes

	OMV Petrom	GMS's Representatives	2010 - 2015	Yes
	SNIM Valea Jiului SA	GMS's Representatives	2013 – 2015	Yes
	SC UT Midia SA	President of the BoD	2010 – 2015	Yes
	Complexul Energetic Oltenia	Member of the Supervisory Body	January – May 2013	No
Stanescu Bogdan	S.N. Nuclearelectrica SA	Member of BOD	April 2015 - present	yes
	M.E.I.M.M.A	General Manager DGSC	2015 - present	Yes
	Oltchim SA Rm. Vilcea	Special Administrator	Appointment as Special Administrator was made by shareholders, according to Law no 85/2006, after the companies filed for insolvency	
	Romplumb SA Baia Mare			
	Arcadia SA Bucuresti			
	Hidroelectricita			

Source: The Issuer

Conflicts of interest

The Issuer declares that between the private interests and/or other obligations of the members of the administration, management and supervisory bodies of the Issuer and their obligations towards the Issuer there is no potential conflict of interests.

Besides, the Issuer declares that there are no understandings, agreements between the members of the administration, management and supervisory bodies and the main shareholders, the clients, the suppliers or other persons, based on which the persons previously mentioned were elected as members of one administration, management and supervisory body.

None of the members of the administration, management and supervisory bodies of the Issuer accepted any type of restrictions, for a certain period, regarding an eventual transfer of their participations to the share capital of Nuclearelectrica.

The Activity of the Board of Directors

The meetings of the Board of Directors are held any time needed but at least once in three months. The Board of Directors gathers, generally, at the headquarters of the Company, or operative meetings of the Board of Directors may be organized by means of communication at distance that accomplish the technical requirements needed for the identification of the participants, for their effective participation to the meetings of the Board of Directors and for the continuous re-transmittal of the decisions (call conference, videoconference or other means of communications), being convened by the Chairperson or upon the substantiated request of two of its members or of the General Manager.

The meetings of the Board of Directors are chaired by the Chairperson and, while he/she is absent, by any member, based on an agreement granted by the Chairperson. The Chairperson appoints a secretary from the employees of the Company.

The General Meeting of Shareholders appoints, between the present shareholders, one up to three secretaries that will check the presence list of the shareholders, the Minutes (prepared by the technical secretary) to ascertain the number of shares submitted and the accomplishment of all the formalities required by the law and by the statute in order to hold the meeting. Moreover, the Chairperson may appoint, among the clerical staff of the company, one or more technical secretaries.

The Board of Directors may take decisions in a valid manner if at least half of its members are present, based on the vote of the majority of the present members. The decision regarding the appointment or the cancellation of the Chairperson is taken by the vote of the majority of the members of the Board of Directors. In case of parity of votes, the Chairperson will have the decisive vote. The decisions are taken by open vote, except for the case when two thirds of the members of the BoD request the secret vote.

The Chairperson of the Board of Directors does not benefit of the decisive vote in case of parity of votes.

According to the Statute of the Company, the Board of Directors approves its own Rules for Organization and Functioning.

The Board of Directors is in charge of executing all the documents needed and used in order to pursue the company's line of business, except for the ones reserved by the law for general meetings of shareholders.

The Board of Directors has the following attributions that cannot be delegated to the managers:

- establishing the main activity and development directions of the Company;
- establishing the accounting policies and policies for the financial control system, as well as approving the financial planning;
- appointing and cancelling the managers and establishing their remuneration;
- supervising the activity of the General Managers and of the Managers;
- preparing the annual report, organizing the general shareholders' meeting and implementing its decisions;
- introducing the request to open the insolvency procedure of the company, according to Law no 85/2006 regarding the insolvency procedure;
- approving the change of a line of business, except for the company's main line of business;

The Board of Directors has also the following attributions:

- carries out the control over the manner the General Manager and the other Managers lead the Company;
- endorses the budget of revenues and expenses;
- approves the management plan prepared by the General Manager and/or by other Managers;
- elaborates and presents to the General Meeting, for approval, the Administration Plan, that includes the administration strategy during the mandate period;
- checks if the activity performed in the name and on behalf of the Company is according to the law, to the Articles of Association and to any relevant decision of the General Meeting;
- presents to the General Meeting an annual report regarding the administration activity;
- represents the Company in its relationship with the General Manager and with the appointed Managers;
- checks and endorses the financials of the Company;
- checks and approves the Report of the General Manager and the Reports of the Managers;
- proposes to the general meeting the appointment and the cancellation of the independent auditor, as well as the minimum duration of the audit contract.
- approves the mandate contracts of the General Manager and of the appointed Managers establishing thus the manner to organize the activity of the managers;
- approves the persons empowered to negotiate the Collective Employment Agreement with the representative trade unions and/or the representatives of the employees, as well as the negotiation mandate granted to them;
- approves the Collective Employment Agreement within the Company;
- approves the Rules for Organizing and Functioning of the Board of Directors;
- approves the activity programs (production, research and development, technology engineering, investments etc.);
- approves the strategy regarding the power sale transactions of the Company;
- approves the conclusion of any contract/document that gives birth to legal obligations in charge of the Company (purchasing, alienation documents, exchange or guarantee documents for certain assets classified as the intangibles of the Company), whose value does not exceed, individually or cumulated, during a financial year, 20% of the total of the intangibles of the Company minus the receivables in compliance with their competency limits provided for in the Annex to the Articles of Association;
- approves the rental of tangible assets, for a period that exceeds one year, whose individual or cumulated value towards the same co-contractor or persons involved or that act jointly does not exceed 20% of the value of the total intangible assets, less the receivables as at the date when the legal deed is concluded, as well as the associations for a period that exceeds one year, that do not exceed the same value;
- approves the mandate of the representatives of Nuclearelectrica during the General Meeting of Shareholders of S.C. Energonuclear SA for all the decisions that are under the competency of the General Meeting of Shareholders of S.C. Energonuclear SA, except for the ones for which a decision of the Company's General Meeting is needed, according to what provided for under the Articles of Association.

The Board of Directors has attributions regarding the endorsement of contracts, credits and various operations within the Company, according to the competency limits provided for in the Annex to the Articles of Association. The Board of Directors may create advisory committees, consisting of at least two of the members of the BoD

and in charge of carrying out investigations and of elaborating recommendations to the BoD. Within the Board of Directors, an Appointment and Remuneration Committee is created as well as an Audit Committee. The Board of Directors may decide upon the creation of other advisory committees.

Advisory committees are formed by at least two members of the Board of Directors and, at least one member of each Advisory Committee must be an independent non-executive director. The concrete number of members of each Advisory Committee will be established by resolution of the Board of Directors. The Advisory Audit Committee and the Appointment and Remuneration Committee consist only of non-executive directors. At least one member of the Advisory Audit Committee must have experience in the implementation of the accounting principles or in financial audit.

The Appointment and Remuneration Committee formulates proposals for the position of member of the Board of Directors, of General Manager and Managers, formulates and proposes to the Board of Directors the procedure for selecting the members of the Board of Directors, of the General Manager and of Managers, as well as for other management positions, formulates proposals regarding the remuneration of the General Managers, of the Managers and of other management positions. The Advisory Audit Committee accomplishes the attributions that are in charge of this committee by the legislation that regulates the statutory audit of the financial statements.

The Board of Directors will decide regarding the additional attributions of the Appointment and Remuneration Committee and of the Advisory Audit Committee, as well as regarding the attributions of the other advisory Committees that it sets up.

Upon the proposal of the chairpersons or of the members of the advisory Committees, the Board of Directors may approve to co-opt some permanent independent external experts, natural persons or legal entities, specialists in the activity fields of the advisory Committees and that can assist their members in their activity, establishing, in the meantime, also the remuneration of these experts.

The General Manager

The Company is represented in the relationship with third parties and at court by the General Manager, who acts within the limits of its scope of business and in compliance with the exclusive competencies reserved by the law or by the rules of the Articles of Association, of the Board of Directors and of the General Meeting. The Board of Directors may delegate to the General Manager one or more attributions that are under his/her competence. Starting with 30.04.2013, Ms. Daniela Lulache is the General Manager of the Company.

Other Managers

Ionel Bucur – Mr. Ionel Bucur is the manager of the Cernavoda CNE branch. He has 35 years of professional experience, out of which, during 22 years, he took part, from various positions, in the management of Cernavoda Nuclear Power Plant, being involved in all the evolution phases of the company. Under the coordination of the World Association of Nuclear Operators and of the International Agency for Atomic Energy, Mr. Bucur took part in missions to evaluate more nuclear plants around the world. He graduated the Moscow Power Engineering Institute in the field of Atomic Installations and Plants, he is a PhD holder in engineering science at Transilvania University, Brasov and participated in various training programs in management or in the nuclear field in Japan, Canada and the USA.

Mihai Darie - Mr. Mihai Darie was appointed Financial Manager of SNN in February 2014 by the Board of Directors and coordinates the financial and accounting activity of the company as well as the administrative and IT positions of the executive headquarter of the company, being also involved in the strategic projects developed by the company. He has more than 15 years of experience in the financial-accounting field, in financial, strategic and management consultancy, assets administration, corporate governance and banking field, in various private and state owned companies. He graduated the Finance-Banking Faculty within the Bucharest University of Economic Studies. He has an EMBA diploma from Aseburg and from the USA Kennesaw University, is CFA certified, member of ACCA-UK and accounting expert.

Florin Ovidiu Gheba – Mr. Florin Ovidiu Gheba is the manager of Fabrica de Combustibil Nuclear, the SNN branch, since 17.08.2015. Mr. Florin Ovidiu Gheba has over 16 years of professional experience, out of which, more than 10 years in management of some multinational companies and he successfully led teams that have dealt with the implementation and improvement of production operations in the Electronics-Automotive Industry and Performance Management within OMV Petrom. He started his career as Automation Engineer at Daewoo Craiova, followed by Process Engineer at Solectron Romania, Production Manager at Solectron Romania,

Operations Manager at Contitech and Leoni Wiring Systems Arad and Production Manager at Frigoglass.

Advisory Committees

In accordance with art. 140² of Law no 31/1990 republished, of the companies, with its amendments and adjustments („**Law no 31/1990**”) and with the provisions of art.34 of GEO no 109/2011 on the corporate governance of public companies, in conjunction with the provisions of article 19 of the updated Article of Association of the Company, by BoD’s Resolution no 7 dated 26.04.2013, the Appointed and Remuneration Committee was created. Carmen Radu, Alexandru Alexe and Nicolae Bogdan Codrut Stanescu are at this moment members of the Committee.

According to art. 34 of GEO no 109/2011 on the corporate governance of public companies, by Resolution no 8 dated 30.04.2013, the Audit Committee was established. Carmen Radu, Alexandru Alexe and Gabriel Sebastian Tcaciuc are at this moment members of the Committee.

In accordance with art. 34 of GEO no 109/2011 on the corporate governance of public companies, by Resolution no 27 dated 26.08.2013 the Advisory Committee for Strategy, Development and Large-Scale Investments Projects was established. Daniela Lulache, Alexadru Alexe, Gabriel Sebastian Tcaciuc, Dan Popescu, Nicolae Bogdan Codrut Stanescu are at this moment members of the Committee.

According to art. 34 of GEO no 109/2011 on the corporate governance of public companies, by resolution no 27 of the Board of Directors dated 26.08.2013, the Advisory Committee for Nuclear Security was established. The committee is composed of Alexandru Sandulescu, Dan Popescu, and Daniela Lulache.

The current membership of the four Advisory Committees is valid starting with 22.05.2015, according to the resolution of the Board of Directors no 81/22.05.2015.

The following members of administration and management bodies hold shares with the Company or options related to the shares of the Issuer.

Date	Number of shares
Daniela Lulache	886
Darie Mihai	1.200

Source: The Issuer

2.10 REMUNERATION AND BENEFITS

Taking into account the paragraph 10 of Annex XXIII to Regulation no 809/2004 as well as that the Issuer is a company whose shares are admitted for trading on the regulated market operated by Bucharest Stock Exchange, Premium Category, no information about remuneration and benefits granted to the Board of Directors’ members or to the executive management of the Company was included in the Prospect. This information can be found in the annual reports of the Issuer.

2.11 BOARD PRACTICES

Taking into account the paragraph 11 of Annex XXIII to Regulation no 809/2004 as well as that the Issuer is a company whose shares are admitted for trading on the regulated market operated by Bucharest Stock Exchange, Premium Category, no information about the functioning of administration and management bodies was included in the Prospect.

2.12 EMPLOYEES

At 30.06.2015, the Company had a number of 2,088 employees. Out of them, 17 employees were hired on limited period contract and 2,071 were hired on unlimited period contracts. Out of the total number of employees, 1 employee was hired part-time. The company has 140 vacancies. The total number of positions within the

Company is 2,228. The detailed information regarding the structure of the personnel are presented in the table below.

Structure of the personnel	Number employees			
	<i>Cernavoda</i>	<i>Pitesti</i>	<i>Bucuresti</i>	<i>Total</i>
Total	1,583	391	114	2,088
Employees with employment contract for unlimited period.....	1,573	390	108	2,071
Employees with employment contract for limited period.....	10	1	6	17
Employees with part-time employment contract.....	1	0	0	1
Employees with full-time employment contract.....	1,582	391	114	2,088
Vacancies.....	116	10	14	149
Employees working under special conditions.....	494	205	0	699
Employees working under particular conditions.....	1,053	186	0	1,239

Source: The Issuer

The number of employees of the Company, by the main categories of activities and the geographical location are presented in the table below.

Activity	No of employees/Geographical location		
	<i>Cernavoda</i>	<i>Pitesti</i>	<i>Bucuresti</i>
Production.....	371	143	
Repairs	341	39	
Technical.....	196	25	9
Radio-protection, SM and PSI	76	13	
Training and authorization of the personnel.....	73	0	
Occupational safety.....	51	0	5
Investments.....	42	4	7
Quality Management	20	77	4
IT	24	5	7
Economic.. ..	130	10	18
Acquisitions.....	33	8	18
Power transactions.....			5
Admin., transportation, accomodation.....	87	27	12
Legal advising.....	1	2	7
Physical protection, classified information.....	70	17	2
SSM and emergency system.....	0	13	
Control of works.....	57	0	
Human resources.....	9	6	8

Activity	No of employees/Geographical location		
Communication and customer care.....	0	0	7
Risk control and management.....	0	0	2
Internal financial control.....	1	1	1
Internal Audit.....	0	0	2
Operation manager.....	1	1	0

Source: The Issuer

For all the information in this chapter the reference date was considered to be 30.06.2015, as no more recent information was available.

The individual employment contract

The company currently uses a standard individual employment contract (“**CIM**”), implemented by the Collective Employment Agreement registered under no 240/24.06.2015, concluded at the level of the Company (“**CCM Nuclearelectrica**”). The company uses the same level of Individual Employment Contract for both the employees hired on limited period as well as for the ones hired for unlimited period of time. The standard CIM mentioned above complies with the clauses stipulated by the Order no 64/2003 regarding the framework individual employment contract with its subsequent amendments.

The employees, their equity and stock options – the participation of the employees to the share capital of the Issuer

There are no agreements that provide for employee participation to the share capital of the Issuer. According to the CCM Nuclearelectrica signed on June 24, 2015 for the period 01.07.2015 – 30.11.2016 and the related addendums, the Issuer pays compensatory amounts of money in case of involuntary labor force reduction, such as:

- one wage together with the fidelity and seniority increases for the employees with a length of service between 6 months and 5 years in the company;
- five wages together with the fidelity and seniority increases for the employees with a length of service between 5 and 10 years in the company;
- six wages together with the fidelity and seniority increases for the employees with a length of service between 10 and 15 years in the company;
- seven wages together with the fidelity and seniority increases for the employees with a length of service between 15 and 20 years in the company;
- eight wages together with the fidelity and seniority increases for the employees with a length of service that exceeds 20 years in the company.

The same Collective Employment Agreement establishes the fact that, in case of retirement, the Issuer will pay two monthly wages for the employees with experience in the energetics sector between 10 and 25 years or three monthly wages for the cases of experience exceeding 25 years.

Moreover, the employees have the right to receive the following increases, to be applied to the basic wage:

- increase for night work hours: 25%
- increase for the hours worked during the week-end or during the non-labor days: 100%
- increase for the hours worked during the legal holidays: 200%
- increase for additional hours that were not compensated by free hours during the following 30 days: 100%
- increase for the team leaders: 5%
- increase for having obtained the PhD: 15%
- increase for preventive financial control 10%
- seniority increase: (i) for 3-5 years of experience in SNN: 5%; (ii) for 5-10 years of experience in SNN: 10%; (iii) for 10-15 years of experience in SNN: 15%; (iv) for 15-20 experience in SNN: 20%; (v) for more than 20 years of experience in SNN: 25%

The employees have the right to receive compensations in case the employment contract ceases due to medical reasons, depending on the length of service in the company:

- for less than 5 years: 2 monthly basic wages and the related seniority and fidelity increases;
- for five up to ten years: 5 monthly basic wages and the related seniority and fidelity increases;

- for ten up to fifteen years: 9 monthly basic wages and the related seniority and fidelity increases;
- for more than fifteen years: 12 monthly basic wages and the related seniority and fidelity increases.

Employees of Energonuclear SA

At 30.06.2015, Energonuclear SA had a number of 24 positions, out of which 2 vacancies. There are 5 employees hired on management positions and 17 employees hired on execution positions.

2.13 MAIN SHAREHOLDERS

The Issuer's main shareholders are the Romanian State through the Ministry of Energy, Small and Medium Enterprises and Business Environment, Fondul Proprietatea SA and other shareholders.

The Ministry of Energy, Small and Medium Enterprises and Business Environment holds 248,443,809 shares of RON 10 each, with an aggregate nominal value of RON 2,484,438,090, i.e. 82.48% of the Issuer's share capital.

Fondul Proprietatea SA holds 27,408,381 shares of RON 10 each, with an aggregate nominal value of RON 274,083,810, i.e. 9.10% of the Issuer's share capital.

Other shareholders natural persons and legal resident and non-resident entities hold 25,368,851 shares of RON 10 each, with an aggregate nominal value of RON 253,688,510, i.e. 8.42% of the Issuer's share capital.

The Issuer declares that according to all information available to him, on the date of the Prospectus, there are no different voting rights granted in favor of the shareholders of the Company. The main shareholders do not hold distinct voting rights as compared to any other shareholder of the Company, the shares issued by SNN offering equal voting right to all the shareholders of the Company.

The Issuer declares that, according to all information available to him on the date of the Prospectus, is under the control of its major shareholder, the Romanian State through the Ministry of Energy, Small and Medium Enterprises and Business Environment based on the majority shareholding owned by the latter.

The Issuer declares that, according to all information available to him on the date of the Prospectus, there are no agreements whose application could generate, at a later date, the change of control over the Company.

2.14 RELATED-PARTY TRANSACTIONS

Transactions with state-owned companies

The Issuer operates in a business environment dominated by companies held by the Romanian State through its government authorities and agencies, hereinafter jointly referred to as state-owned companies.

The Issuer has executed significant transactions with other state-owned companies, including sales of electricity (Electrica Furnizare SA and OPCOM), purchases of electricity transmission services and transactions on the balance market (CN Transelectrica SA), advance payments collected for energy deliverable in the future (Electrica Furnizare SA), uranium purchases (Compania Nationala a Uraniului), water usage (Apele Romane Bucuresti, Apele Romane Constanta) etc.

The financial auditor Baker Tilly Klitou and Partners SRL verified the transactions carried out in the period 01.01-30.06.2015, and published the independent report of limited assurance over the information contained in the current reports prepared by the company in accordance to the provisions of art. 225 of the Law 297/2004 and to the CNVM Regulation no 1/2006 regarding the issuers of and operations with securities ("**Regulation no 1/2006**")

The Issuer's significant related-party transactions in the six months ending 30 June 2015 and 30 June 2014 consist on the following:

Name	Sales in the 6 month period ending 30 June	
	(RON)	
	2015	2014
OPCOM	121,402,604	120,085,510

Electrica Furnizare	4,067,952	169,159,165
Utilitati publice Cernavoda	1,128,338	1,131,530
Transelectrica	369,724	641,868
Hidroelectrica	-	-
Total (a)	126,968,618	291,018,073
Turnover (b)	845,151,855	834,942,619
% (a/b)	15%	35%

Source: Simplified Interim Consolidated Revised Financial Statements as of and for six month period ending 30 June 2015

Name	Purchases in the 6 month period ended at 30 June	
	(RON)	
	2015	2014
CN Transelectrica SA	65,942,018	60,110,402
Compania Nationala a Uraniului	47,861,697	56,589,640
ANDR	44,576,865	44,609,535
Apele Romane Bucuresti	28,478,301	27,219,299
OPCOM	6,307,154	2,374,325
Apele Romane Constanta	5,291,919	5,049,388
ICSI RAMNICU VALCEA	4,667,430	6,799,171
CNCAN	4,500,000	4,950,000
RATEN - ICN Pitesti	2,768,987	2,337,682
Electrica Furnizare	64,603	-
Total (a)	210,458,974	210,039,442
Turnover (b)	845,151,855	834,942,619
% (a/b)	25%	25%

Source: Simplified Interim Consolidated Revised Financial Statements as of and for six month period ending 30 June, 2015 Note: Purchases represents the credit balance of accounts 401,404,408 excluding VAT.

2.15 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

2.15.1 Historical financial information

The Issuer's financial statements as of and for the financial year ended 31 December 2013 and respectively 31 December 2014 were prepared in accordance with the European Union approved International Financial Reporting Standards ("IFRS-EU"). They are the standards referred to in (EC) Regulation no 1606/2002 of the European Parliament and of the Council of 19.07.2002 on the application of international financial reporting standards.

Financial statements as of 31 December 2013 and 31 December 2014 are consolidated and comprise the financial statements of the Issuer and of the Energonuclear SA subsidiary.

The most recent consolidated annual financial statements are dated 31 December 2014, while the most recent reviewed consolidated interim consolidated financial statements are dated 30 June 2015.

The summary of the Issuer's consolidated financial position

The data below has been extracted from the Group's IFRS-EU consolidated financial statements as of 31

December 2014 (versus 2013).

	Financial year ended at 31 December	
	2014	2013
	<i>(Audited)</i>	
	<i>(RON)</i>	
Fixed assets		
Property, plant and equipment.....	7,928,119,698	8,192,667,298
Intangible assets	94,579,281	97,861,128
Total fixed assets	8,022,698,979	8,290,528,426
Current assets		
Inventory.....	397,664,374	386,296,868
Accounts receivables and other receivables.....	240,317,426	197,366,645
Prepaid expenses.....	18,546,205	10,865,840
.....		
Bank deposits.....	31,442,715	704,525,705
Cash and cash equivalents.....	1,158,859,684	751,247,612
Sub-total current assets..	1,846,830,404	2,050,302,670
Assets to be disposed.....	-	1,382,640,479
Total current assets.....	1,846,830,404	3,432,943,149
Total assets	9,869,529,383	11,723,471,575
Equity		
Share capital.....	3,013,330,303	3,013,330,303
Share premium.....	31,474,149	31,474,149
Reserve paid in advance.....	217,820,977	215,930,237
Revaluation reserve.....	1,770,574,705	1,770,574,705
Retained earnings.....	2,458,402,361	2,667,598,242
Total equity attributed to:		
Company shareholders.....	7,491,602,495	7,698,907,636
Non-controlling interests.....	-	22,474,502
Total equity.....	7,491,602,495	7,721,382,138
Non-current liabilities		
Long term borrowings.....	1,496,191,642	1,675,427,622
Deferred revenues.....	172,135,939	186,480,601
Deferred tax liability.....	197,598,967	208,285,413
Employee benefits.....	33,267,120	26,207,527
Total non-current liabilities	1,899,193,668	2,096,401,163

Current liabilities		
Accounts payable and other debt	244,636,285	243,249,981
Income tax liability	4,507,170	35,004,719
Deferred liabilities.....	24,909,505	32,007,582
Current share of long-term borrowings.....	204,680,260	212,785,513
Sub-total current liabilities.....	478,733,220	523,047,795
Liabilities from asset disposals.....	-	1,382,640,479
Total current liabilities.....	478,733,220	1,905,688,274
Total liabilities.....	2,377,926,888	4,002,089,437
Total equity and liabilities	9,869,529,383	11,723,471,575

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

The summary of the consolidated financial statements

2014 IFRS-EU consolidated financial statements (versus 2013):

	Financial year ended at 31 December	
	2014	2013
	<i>(Audited)</i>	
	<i>(RON)</i>	
Revenues from distribution of electricity.....	1,685,350,384	1,829,187,376
Revenues from transmission of electricity.....	109,272,960	103,315,662
Other revenues.....	19,640,158	129,686,605
Total revenues.....	1,814,263,502	2,062,189,643
Depreciation and amortization.....	(425,873,117)	(433,122,847)
Staff expenses.....	(300,020,637)	(302,751,047)
Cost of electricity purchased.....	(29,499,135)	(77,327,618)
Repair and maintenance.....	(130,414,701)	(142,249,662)
Electricity transmission costs.....	(109,272,960)	(103,315,661)
Spare parts expenses.....	(24,748,712)	(28,528,016)
Nuclear fuel expenses.....	(134,241,709)	(113,396,395)
Other operating expenses.....	(486,389,314)	(402,170,795)
Total operating expenses.....	(1,640,460,285)	(1,602,862,039)
Operating income.....	173,803,217	459,327,604
Financial expenses.....	(117,893,368)	(172,539,326)
Financial revenues	96,795,817	229,726,731
Net financial expenses	(21,097,551)	57,187,405
Earnings before interest tax.....	152,705,666	516,515,009
Income tax expense.....	(21,290,850)	(89,659,467)
Profit in the year	131,414,816	426,855,542

Revaluation of fixed assets	-	356,087,677
Deferred tax liability on revaluation reserve	-	(62,662,755)
Actuarial gains for defined benefit pension plan	(4,180,478)	181,360
Other comprehensive income elements.....	(4,180,478)	293,606,282
Total comprehensive income.....	127,234,338	720,461,824
Profit distribution to:		
Company shareholders.....	127,234,338	720,654,120
Holders of non-controlling interest.....	-	(192,296)
Earnings per share		
Basic earnings per share (RON/share)	0.47	1.65
Diluted earnings per share (RON/share)	0.44	1.54

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Company's assets

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Fixed assets		
Property, plant and equipment.....	7,928,119,698	8,192,667,298
Intangible assets	94,579,281	97,861,128
Financial assets	-	-
Total fixed assets	8,022,698,979	8,290,528,426
Current assets		
Inventory.....	397,664,374	386,296,868
Accounts receivable and other receivables.....	240,317,426	197,366,645
Prepaid expenses	18,546,205	10,865,840
Bank deposits	31,442,715	704,525,705
Cash and cash equivalents	1,158,859,684	751,247,612
Sub-total current assets	1,846,830,404	2,050,302,670
Assets to be disposed	-	1,382,640,479
Total current assets	1,846,830,404	3,432,943,149
Total assets	9,869,529,383	11,723,471,575

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Equity

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Share capital	3,013,330,303	3,013,330,303
Share premium	31,474,149	31,474,149
Reserve paid in advance.....	217,820,977	215,930,237
Revaluation reserves	1,770,574,705	1,770,574,705
Retained earnings	2,458,402,361	2,667,598,242
Total equity to Company shareholders	7,491,602,495	7,698,907,636
Non-controlling interest.....	-	22,474,502
Total equity	7,491,602,495	7,721,382,138

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Liabilities

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Non-current liabilities		
Long term borrowings	1,496,191,642	1,675,427,622
Non-current deferred revenues ..	172,135,939	186,480,601
Deferred tax liability	197,598,967	208,285,413
Employee benefits	33,267,120	26,207,527
Total non-current liabilities	1,899,193,668	2,096,401,163
Current liabilities		
Accounts payable and other debt	244,636,285	243,249,981
Income tax liability	4,507,170	35,004,719
Current deferred revenues	24,909,505	32,007,582
Current share of long-term borrowings	204,680,260	212,785,513
Sub-total current liabilities.....	478,733,220	523,047,795
Liabilities from asset disposals	-	1,382,640,479
Total current liabilities.....	478,733,220	1,905,688,274
Total liabilities.....	2,377,926,888	4,002,089,437

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Total equity and liabilities

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Total equity and liabilities	9,869,529,383	11,723,471,575

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Revenues

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Revenues from distribution of electricity.....	1,685,350,384	1,829,187,376
Revenues from transmission of electricity.....	109,272,960	103,315,662
Total revenues.....	1,794,623,344	1,932,503,038
Other revenues.....	19,640,158	129,686,605

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Operating expenses

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Depreciation and amortization.....	(425,873,117)	(433,122,847)
Staff expenses	(300,020,637)	(302,751,047)
Cost of electricity purchased	(29,499,135)	(77,327,618)
Repair and maintenance.....	(130,414,701)	(142,249,662)
Electricity transmission costs	(109,272,960)	(103,315,661)
Spare parts expenses.....	(24,748,712)	(28,528,016)
Nuclear fuel costs	(134,241,709)	(113,396,395)
Other operating expenses	(486,389,314)	(402,170,795)
Total operating expenses	(1,640,460,285)	(1,602,862,039)

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Operating income

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Operating income	173,803,217	459,327,604

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Net financial expenses

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Financial expenses	(117,893,368)	(172,539,326)
Financial revenues	96,795,817	229,726,731
Net financial expenses	(21,097,551)	57,187,405

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Profit in the year

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Earnings before income tax	152,705,666	516,515,009
Income tax expense, net	(21,290,850)	(89,659,467)
Profit in the year	131,414,816	426,855,542

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Profit distribution

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
To Company shareholders.....	131,414,816	427,047,838
To holders of non-controlling interest.....	-	(192,296)

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

Summary of consolidated cash flow statement

	Financial year ended at 31 December	
	2014	2013
	(Audited)	
	(RON)	
Cash flow from operating activities.....	514,317,364	761,808,242
Net cash from/(used in) investing activities.....	506,078,935	(694,108,225)
Net cash from/(used in) financing activities.....	(566,649,886)	63,798,646
Net increase in cash and cash equivalents.....	407,612,072	42,468,501
Cash and cash equivalents as at 1 January.....	751,247,612	708,779,111
Cash and cash equivalents as at end of year.....	1,158,859,684	751,247,612

Source: IFRS-EU consolidated financial statements as of and for the financial year ended 31 December 2014

The opinion of the independent auditor Baker Tilly Klitou on the consolidated financial statements as of and for the financial year ended 31.12.2014:

- *Qualified opinion:* „At 31 December 2014, the Company posted property, plant and equipment in progress booked at RON 273,960,000 (RON 273,960,000 as of 31 December 2013), comprising capitalization of works for CNE Cernavoda Units 3 and 4. Before 1991, Units 1, 2, 3, 4 and 5 were deemed one single project, and construction costs were not booked for each unit, independently. Subsequently, the Group has attributed separate construction costs for Units 3 and 4. We were not able to obtain sufficient audit evidence with regard to the accuracy of this cost allocation with significant impact on the valuation of the underlying assets. These limitations also have an impact on the deferred tax liability item booked at RON 47,691,959 as of 31 December 2014 (RON 48,448,124 as of 31 December 2013), allocated for units 3 and 4 at 31 December 2014. Consequently, we have been unable to determine whether adjustments are needed with respect to property, plant and equipment, deferred tax liability and retained earnings as of 31 December 2014, as well as with respect to depreciation and amortization, income tax expense and net profit for the financial years ended as of the date indicated above.”
- *Qualified opinion* – “It is our opinion that, with the exception of the issue indicated in paragraph [6], the attached consolidated financial statements show a true and fair picture of the Group’s consolidated financial position as of 31 December 2014, as well as of the Group’s consolidated profit/loss and cash flows for the financial year ended on the aforementioned date, in accordance with the Order of the Minister of Public Finance no 1286/2012 "for approval of the accounting regulations in compliance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market”, as further amended.
- *Other issues* – “Without expressing other qualified opinions, we would like to highlight Note 5 and Note 19 to the consolidated financial statements, indicating uncertainty with regard to the capacity of EnergoNuclear SA to continue business. The total recoverable value of the investments in CNE Cernavoda units 3 and 4, including also all the Company’s consolidated capitalization items, was determined by the management based on some premises, professional judgements, probabilities of some future events that are considered to be reasonable in the given circumstances, as well as based on other factors. The estimated recoverable value will be, by definition, equal with the actual results. At the issuance date of these consolidated financial statements, the estimated recoverable value of the aforementioned investment exceeded the net booked value based on the hypothesis that the ongoing negotiations between Group’s management and the potential investor will be successfully concluded. In case any of the premises, professional judgements, probabilities of some future events and other factors will not materialize, material adjustments of the net value of assets, liabilities and Group’s consolidated results for the next financial year could be needed, an impact that could not be reasonably estimated at the issuance date of these consolidated financial statements.

The opinion of the independent auditor KPMG Audit SRL on the consolidated financial statements as of and for the financial year ended 31.12.2013:

- *Qualified opinion* - “in the attached consolidated financial statements as of 31 December 2013, the Group posted property, plant and equipment items booked at RON 273,960,000 (RON 292,254,000 as of 31

December 2012) comprising CNE Cernavoda Units 3 and 4. Before 1991, Units 1, 2, 3, 4 and 5 were deemed one single project, and construction costs were not booked for each unit, independently. Subsequently, the Group has attributed separate construction costs for Units 3 and 4. We were not able to obtain sufficient audit evidence with regard to the accuracy of this cost allocation with significant impact on the valuation of the underlying assets, neither for the data as of 31 December 2013 nor for the data as of 31 December 2012. These limitations also have an impact on the deferred tax liability item booked at RON 43,524,186 as of 31 December 2013 (RON 32,149,000 as of 31 December 2012). Our audit opinion with regard to the consolidated financial statements for the financial year ended 31 December 2012 has been correspondingly amended. Consequently, we have been unable to determine whether adjustments are needed with respect to property, plant and equipment, deferred tax liability and retained earnings as of 31 December 2013 and 31 December 2012, as well as with respect to depreciation and amortization, income tax expense and profit for the financial years ended as of the dates indicated above.”

- *Qualified opinion* – “It is our opinion that, with the exception of the issue indicated (above) ..., the consolidated financial statements show a true and fair picture of all the significant aspects of the Group’s consolidated financial position as of 31 December 2013, as well as of the Group’s consolidated profit/loss and cash flows for the financial year ended on the aforementioned date, in accordance with the International Financial Reporting Standards adopted by the European Union.”
- *Other issues* – “Without expressing other qualified opinions, we would like to highlight Note 19 i) to the attached consolidated financial statements, indicating uncertainty with regard to the capacity of EnergoNuclear S.A. to continue business. On 25 November 2013, the Company signed a letter of intent with China General Nuclear Power Group whereby CGN showed interest in becoming the majority shareholder of EnergoNuclear SA, subject to certain investment requirements. EnergoNuclear SA’s future operations in relation with Units 3 and 4 rely on the ability to raise the necessary funds.”

2.15.2 Interim financial data and other information

The Company prepared simplified interim consolidated financial statements as of and for the 6 month period ended 30 June 2015 in accordance with EU-adopted International Accounting Standard 34. The financial statements have been reviewed by the external auditor.

	30 June 2015	31 December 2014
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>(RON)</i>	
Fixed assets		
Property, plant and equipment.....	7,754,134,084	7,928,119,698
Intangible assets	87,113,621	94,579,281
Total fixed assets	7,841,247,705	8,022,698,979
Current assets		
Inventories.....	407,144,814	397,664,374
Accounts receivable and other receivables.....	152,054,572	240,317,426
Income tax asset	8,611,875	-
Prepaid expenses	12,678,335	18,546,205
Bank deposits	554,115,606	31,442,715
Cash and cash equivalents	672,829,256	1,158,859,684
Sub-total current assets	1,807,434,458	1,846,830,404
Assets to be disposed	-	-
Total current assets	1,807,434,458	1,846,830,404
Total assets	9,648,682,163	9,869,529,383
Equity and liabilities		
Equity		
Share capital	3,207,713,153	3,013,330,303
Share premium	31,474,149	31,474,149

Reserve paid in advance.....	24,531,537	217,820,977
Revaluation reserve	1,770,574,705	1,770,574,705
Retained earnings	2,369,591,646	2,458,402,361
Total equity to Company shareholders	7,403,885,190	7,491,602,495
Non-controlling interest.....	-	-
Total equity	7,403,885,190	7,491,602,495
Liabilities		
Non-current liabilities		
Long term borrowings	1,399,751,032	1,496,191,642
Non-current deferred revenue	164,963,608	172,135,939
Deferred tax liability	193,470,215	197,598,967
Employee benefits	33,267,120	33,267,120
Total non-current liabilities	1,791,451,975	1,899,193,668
Current liabilities		
Accounts payable and other debts.....	226,368,022	244,636,285
Income tax liability	6,256	4,507,170
Current deferred revenues	21,298,324	24,909,505
Current share of long-term borrowings	205,672,396	204,680,260
Sub-total current liabilities.....	453,344,998	478,733,220
Liabilities from asset disposals	-	-
Total current liabilities	453,344,998	478,733,220
Total liabilities.....	2,244,796,973	2,377,926,888
Total equity and liabilities	9,648,682,163	9,869,529,383

Source: IFRS-EU consolidated financial statements as of and for the 6 month period ended 30 June 2015

	6-month period ended 30 June	
	2015	2014
	(Reviewed)	(Reviewed, restated)
	(RON)	
Revenues		
Revenues from distribution of electricity.....	791,792,692	783,093,781
Revenues from transmission of electricity	52,656,530	51,554,378
Total revenues	844,449,222	834,648,159
Other revenues.....	13,958,719	19,299,146
Operating expenses		
Depreciation and amortization.....	(233,841,384)	(222,458,983)
Staff expenses	(140,021,570)	(141,895,946)
Cost of electricity purchased	(19,224,269)	(10,920,689)
Repaid and maintenance	(80,206,840)	(75,594,275)
Electricity transmission costs	(52,656,530)	(51,554,378)
Spare parts expenses	(13,913,715)	(21,375,664)
Nuclear fuel costs	(69,826,644)	(68,371,375)
Other operating expenses	(234,248,811)	(280,191,260)
Total operating expenses	(843,939,763)	(872,362,570)

Operating income	14,468,178	(18,415,265)
Financial expenses	(66,616,953)	(36,142,758)
Financial revenues	61,200,531	78,517,816
Net financial (expenses)/revenues.....	(5,416,422)	42,375,058
Earnings before income tax	9,051,756	23,959,793
Income tax expenses, net	(7,472,847)	(9,539,565)
Profit in the period.....	1,578,909	14,420,228
Profit distribution		
To Company shareholders.....	1,578,909	14,420,228
To holders of non-controlling interest.....	-	-
Profit in the period	1,578,909	

Source: IFRS-EU consolidated financial statements as of and for the 6 month period ended 30 June 2015

For the period between January 2012 and the date of this prospectus, the Company has prepared comprehensive annual or half-annually financial statements, attached as follows:

For year 2015:

- Simplified Interim Consolidated Financial Statements as of and for the six month period ended 30 June 2015, prepared according to the International Accounting Standard 34 – “Interim financial reporting” and Auditor’s reviewed report on the simplified interim consolidated financial statements – **Annex 2**
- Simplified Interim Individual Financial Statements as of and for the six month period ended 30 June 2015 prepared in accordance with the Order of the Minister of Public Finance No 1286/2012 for approval of the accounting regulations in compliance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, as further amended, according to EU-adopted International Accounting Standard 34 – “Interim financial reporting” – **Annex 3**

For year 2014:

- Individual Financial Statements as of and for the financial year ended 31 December 2014, prepared in accordance with the Order of the Minister of Public Finance No 1286/2012 for approval of the accounting regulations in compliance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, as further amended, and the Auditor’s report on the individual financial statements – **Annex 4**
- Consolidated Financial Statements as of and for the financial year ended 31 December 2014, prepared in accordance with the International Financial Reporting Standards adopted by the European Union and the Auditor’s report on the consolidated financial statements – **Annex 5**

For year 2013:

- Individual Financial Statements as of and for the financial year ended 31 December 2013, prepared in accordance with the Order of the Minister of Public Finance No 1286/2012 for approval of the accounting regulations in compliance with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, as further amended, and the Auditor’s report on the individual financial statements – **Annex 4**
- Consolidated Financial Statements as of and for the financial year ended 31 December 2013, prepared in accordance with the International Financial Reporting Standards adopted by the European Union and the Auditor’s report on the consolidated financial statements – **Annex 5**

2.15.3 Dividend distribution policy

The Issuer is a majority State-owned company. Thus, the profit distribution shall be made in accordance with the provisions of the Government Ordinance no 64/2001 regarding profit distribution of national authorities, national companies and commercial companies with full or majority state-owned capital, as well as to the autonomous regias, as subsequently amended. Thus, according to the provisions of GO no 64/2001, the minimum distributable profit share is of 50% of net income after the distributions referred to in Art. 1 paragraph (1), l. a)-e) from GO no 64/2001.

Except as provided for in GO nr 64/2001, the company does not have a stable dividend policy. The profit share that will be annually distributed as dividends by the Company is subject to approval during the General Meeting of Shareholders where the State is majority shareholder. The Issuer shall register and pay the distributed dividends from net income only after the approval of the annual financial statements during the Ordinary General Meeting of Shareholders and after the proposal regarding profit distribution is made.

Of the net profit of the financial years 2012 and 2013, the approved dividend distribution share was of 85% of net profit and 85.16%, respectively, because the Government approved the obligation of the companies with full or majority state-owned capital to distribute as dividends 85% of the distributable profit, based on the Memorandum „*Measures to be taken into account when elaborating the revenues and expenses budgets of the economic operators with capital or patrimonial stock directly or indirectly held by the state*”. Of the net profit of the financial year 2014, a profit distribution share of 71.22% was proposed and approved by shareholders, thus being respected the provisions of art. 1 paragraph (1) l. f) from GO no 64/2001, as further amended.

Year	Gross value of dividend/share	Recording date	Payment date
2014	0.300000	08.06.2015	26.06.2015
2013	1.210000	16.05.2014	27.06.2014
2012	0.112300	n/a	n/a

Source: Decisions of the Issuer's General Meeting of Shareholders

2.15.4 Court and Arbitration Proceedings

The Issuer hereby declares that has not been involved in any litigation proceedings (including any such ongoing or potential proceedings the Issuer is aware of), at least over the past twelve months, which might have or have recently had significant effects on the Issuer's or the Group's financial standing or performance, except as detailed below.

Based on the criteria mentioned above, on 25.09.2015, the Issuer was involved in a number of litigation proceedings, both as claimant and as respondent, among which mention must be made of legal actions with an estimate value of over EUR 1,000,000 or the equivalent of such, legal actions whose value has not been determined yet or which do not have an object to be evaluated in monetary terms, but which are connected to the Issuer's specific business.

On the abovementioned date, the Company was involved in 10 litigation proceedings corresponding to the above criteria, out of which 6 legal actions in which the Company acts as respondent and 17 legal actions in which the Company acts as claimant.

Legal Proceedings in which the Company acts as defendant

On 25.09.2015, the Company acted as defendant in a number of 6 litigation proceedings, out of which a legal action with the value in excess of the equivalent of EUR 1,000,000 and a number of 5 litigation proceedings whose value has not been determined yet or which do not have an object to be evaluated in monetary terms, such as follows:

- (i) File no 3663/2/2013, whereby the claimant Greenpeace CEE Romania requested the suspension of the decision for issuance of the environmental permit and the suspension of the environmental permit for Units 3-4 Cernavoda Project. The High Court of Cassation and Justice irrevocably rejected the claimant's request as ungrounded.
- (ii) File no 8184/2/2011*, whereby the claimant Greenpeace CEE Romania requested the annulment of the environmental authorization for FCN Pitesti branch. The High Court of Cassation and Justice irrevocably rejected the action as ungrounded.
- (iii) File no 3793/2/2013, whereby the claimant Greenpeace CEE Romania requested the annulment of the decision for issuance of the environmental permit and the annulment of the environmental permit for Units 3-4 Cernavoda Project. The court of first instance rejected the claimant's request as ungrounded. The file is currently pending the second appeal before the High Court of Cassation and Justice.

- (iv) File no 11661/3/2014, whereby the claimant S.C. Fondul Proprietatea SA requested the ascertainment regarding the absolute nullity of S.N.N. EGMS Decision no 1/11.03.2014. The file is pending before Bucharest Court of Appeal. On 08.12.2014, Bucharest Court of Appeal admitted the appeal filed, ordered the annulment of the appealed judgment and remanded the appeal for retrial by Bucharest Tribunal. The file is currently pending.
- (v) File no 13275/3/2014, whereby the claimant Hidroelectrica S.A. requested that SNN was ordered to pay the amount of RON 40,812,717 to Hidroelectrica, representing the loss incurred pursuant to the sale of electricity for a much lower price per Mwh than the price for which it was procured from another nuclear electricity producer, the paper profit achieved by Hidroelectrica pursuant to the sale of the total quantity of 1,044,605 Mwh (net profit), calculated according to the regulations of the Regulatory Authority for Energy, and the payment of legal interest as of the date when the decision was rendered until the effective payment. The file is currently pending.
- (vi) File no 40046/3/2014, whereby Fondul Proprietatea SA, as shareholder of SNN, with a 9.7268% holding in the Company's share capital, requested the following:
 - (a) ascertainment regarding the absolute nullity of Decision no 8 dated 6 October 2014 of the Extraordinary General Meeting of Shareholders of Nuclearelectrica, which approved, among others, the increase of "the share capital of SNN, amounting to a maximum of RON 239,172,630, by contribution in cash, from the current value of RON 2,817,827,560 to RON 3,057,000,190, by issuing a maximum number of 23,917,263 new nominal book-entered shares, for a price of RON 10/share, equal to the nominal value (share premium excluded)", (item 5);
 - (b) recording with the Trade Register of the passed decision and the publication thereof in the Official Gazette, followed by the corresponding deregistration of recordings performed in the Trade Register, based on the annulled EGMS Decision;

The arguments brought forward by Fondul Proprietatea SA in its filed writ of summons are the following:

1. Failure to observe the legal and statutory procedure regarding the convening of SNN EGMS of 06.10.2014, respectively:
 - failure to observe the procedure regarding the drafting of the convening notice, such as brought under regulation by art. 1171 of Law no 31/1990 and by art. 7 para. 4 of Regulation no 6/2009 of the National Securities Commission;
 - failure to observe the procedure regarding communication of the convening notice, such as brought under regulation by art. 4 of Regulation no 6/2009 of the National Securities Commission;
 - failure to observe the shareholders' right to information, such as provided by art. 6 of Regulation no 6/2009 of the National Securities Commission and by Law no 297/2004 on capital market;
2. Illegality grounds deriving from the contradictory resolutions passed: the absence of any act of will producing legal effects;
3. The illegality of increasing the share capital by the amounts indicated within the appealed GMS Decision (challenging the legal regime of state grant-in-aids which the Romanian Government granted to SNN during the period 2006 – 2009), including illegality of share capital increase due to the failure to observe the legal provisions on state aid.

The Issuer is of the opinion that the arguments invoked by Fondul Proprietatea SA in its writ of summons are ungrounded, having in view the following:

1. SNN observed the legal and statutory procedure regarding the convening of SNN EGMS of 06.10.2014, respectively:
 - SNN observed the procedure regarding the drafting of the convening notice, such as brought under regulation by art. 1171 of Law no 31/1990 and by art. 7 para. 4 of Regulation no 6/2009 of the National Securities Commission; thus, SNN published the convening notice within the term and in compliance with the formalities provided by law and, on 24.09.2014, it transmitted a current report on the completed convening notice to Bucharest Stock Exchange and the Financial Supervisory Authority;
 - SNN observed the procedure regarding the communication of the convening notice, such as provided by art. 4 of Regulation no 6/2009 of the National Securities Commission, and published both the Romanian and the English versions of the initial and final convening notices on its website;

- SNN observed the shareholders' right to information, such as provided by art. 6 of Regulation no 6/2009 of the National Securities Commission and by Law no 297/2004 on capital market; thus, it published on its website both the Romanian and English versions of the documents regarding all topics on the agenda of the meeting, along with the additional information requested by FP in respect of the share capital increase by contribution in cash;
- 2. SNN is of the opinion that the resolutions passed by SNN EGMS of 06.10.2014 are clear and not contradictory, since the will of the shareholders was clearly expressed in the sense of rejecting the proposal of the directors, approving the share capital increase only by the contribution in cash of the Romanian Government and postponing the share capital increase by contribution in kind;
- 3. SNN is of the opinion that the legal regime applicable to state grant-in-aids received by SNN during the period 2006 – 2009 is that provided by Law no 31/1990, by the legal provisions approving the state budget for the period 2006 – 2009, as well as by the Government Decision no 365/1998. The abovementioned state grant-in-aids accounted for contributions of the Romanian Government to the execution of investment programs, the legal purpose of such contributions being that of increasing the share capital of SNN. FP misconstrued the legal regime applicable to state grant-in-aids which the Romanian Government granted to SNN during the period 2006 – 2009, by presenting an erroneous and truncated interpretation of legal provisions, since the mentioned amounts represented the contribution of the Romanian Government to SNN share capital increase.

Although the Issuer is of the opinion that the arguments invoked by Fondul Proprietatea SA in support of its writ of summons are ungrounded, as the share capital increase of SNN was performed in observance of the prudent investor's principle, a court of law holds discretionary powers of interpretation and ruling, hence the risk of annulment of item 5 of the Decision dated 06.10.2014 passed by the Extraordinary General Meeting of SNN Shareholders, regarding the approval of SNN share capital increase, by means of the state grant-in-aids offered to the company during the period 2006 - 2009.

Fondul Proprietatea SA raised the plea regarding the illegality of the provisions of art. 20 of the GD no 365/1998 on the setting up of Compania Nationala de Electricitate SA, Societatea Nationala Nuclearelectrica SA and Regia Autonoma pentru Activitati Nucleare, by the reorganization of Regia Autonoma de Electricitate "RENEL", which provides the fact that the amounts allocated from the state budget for the performance of the investment programs increased the share capitals of Compania Nationala de Electricitate SA and of Societatea Nationala Nuclearelectrica SA.

On the hearing dated 06.10.2015, the court denied the pleas as unfounded and ordered petition for the Ministry of Energy, Small and Medium Enterprises and Business Environment. On the hearing date 05.10.2015 the court postponed the file on the grounds of lack of petition procedure regarding the intervenient Ministry of Energy, Small and Medium Enterprises and Business Environment. The next hearing date was established on 02.11.2015.

Legal Proceedings in which the Company acts as claimant

On 25.09.2015, the Company was involved in 4 litigation proceedings in which it acted as claimant/creditor, in 3 cases with a value exceeding the equivalent of EUR 1,000,000 and in 20 cases having an object which cannot be evaluated in monetary terms, respectively the annulment of certain administrative deeds, such as follows:

Legal Proceedings Related to Reorganization Procedure and Bankruptcy

- (i) File no 22456/3/2012, pending before Bucharest Tribunal, whereby the Company requested the registration on the list of creditors of the debtor S.C. Hidroelectrica S.A. with the amount of RON 69,936,482.46. At first, the company was registered with a receivable in amount of RON 28,773,061.96 (unsecured loan) but, during the second appeal, the court ordered the official receiver to register the receivable in amount of RON 69,936,482.46 on the preliminary list of creditors. The decision is irrevocable, therefore Hidroelectrica will also pay the amounts representing legal stamp duty, in amount of RON 157,063.01, and the judicial stamp, in amount of 5 RON, so the total adds up to RON 70,093,550.47. Consequently, on 17.06.2013, the Company and Hidroelectrica signed an agreement whereby the latter undertook to pay in 24 equal monthly installments, as of July 2013, the total amount of RON 70,093,550.47, which was integrally settled. The debtor company is currently undergoing the reorganization procedure.
- (ii) File no 9089/101/2013, pending before Mehedinti Tribunal, whereby the Company requested the registration on the list of creditors of the debtor Regia Autonoma pentru Activitati Nucleare with the amount of RON 7,825,063.68. The debtor is currently undergoing the reorganization procedure, the Company being

registered with the amount of RON 5,450,135.91, which is to be recovered within a term of 2 years, according to the reorganization plan.

- (iii) File no. 3490/121/2015, pending before Galati Tribunal, whereby the Company requested that the debtor ArcelorMittal Galati S.A. to be obliged to payment of the amount of RON 8,575,245,78 representing liquidated damages. The file is in the regularization procedure, not being established the first hearing date.

Legal Proceedings before the Administrative Court

On 25.09.2015, the Company was involved in 21 litigation proceedings before the administrative court, in which it acts as claimant:

- (i) File no 416/2014, pending before Bucharest Court of Appeal, whereby the Company requested the partial annulment of Decision no 3609/2013 of the Regulatory Authority for Energy and the modification of the regulated tariff for 2014, by ascertaining certain justified cost elements (including the fee for special constructions) in the modality of calculation. The court rejected the claim filed by SNN. Currently, the appeal of SNN is pending.
- (ii) File no26063/3/CA/2015, pending before Bucharest Tribunal, whereby the Company requested the annulment of Decision no 9/23.03.2015 of Arges Chamber of Accounts and of Resolution no 38/19.06.2015 of the Court of Accounts. The file is currently pending.
- (iii) File no26063/3/CA/2015, pending before Bucharest Tribunal, whereby the Company requested the suspension regarding the enforcement of the measure ordered by Decision no 9/23.03.2015 of Arges Chamber of Accounts and of Resolution no 38/19.06.2015 of the Court of Accounts. The file is currently pending.
- (iv) Files nos.: 4902/2/2015, 4906/2/2015, 4907/2/2015, 4912/2/2015, 4946/2/2015, 4958/2/2015, 4959/2/2015, 4964/2/2015, 4965/2/2015, 4967/2/2015, pending before Bucharest Court of Appeal, whereby the Company requested the annulment of the measures ordered by the Court of Accounts by Decision no16/11.05.2015. These files are undergoing the regularization procedure.
- (v) Files nos. 4960/2/2015, 4961/2/2015, 4962/2/2015, 4966/2/2015, 4968/2/2015, 4969/2/2015, 4970/2/2015, 4971/2/2015, pending before Bucharest Court of Appeal, whereby the Company requested the suspension regarding the enforcement of the measures ordered by the Court of Accounts Decision no16/11.05.2015. These files are undergoing the regularization procedure.

The Company acts as civil party in a criminal file

- (i) File no 48031/299/2010, pending before Bucharest District 1 Court. The Company acts as civil party in this file having as object the corruption deeds perpetrated by Rotaru Ioan, Irimie Traian Cezar, Ispas Gheorghe, Prisecariu Tereza, Nemtanu Raducu, and Anghelescu Andrei Tudor, due to the failure to observe the legal provisions concerning the awarding of public procurement contracts, whose payment was settled out of the state guaranteed contracted credits, hence the prejudice of RON 13,493,080.3 caused to the Company. The party which acts as respondent in the civil lawsuit is the company Tess Conex S.A. Iasi. The court of appeal ordered the defendants and the respondent in the civil lawsuit to repair the prejudice. The legal action is currently pending on the appeal court.

2.15.5 Significant modifications of the financial or commercial standing

During the interval between 31 December 2014 and the date of the present Prospectus, no significant events took place, which could have a negative impact on the financial standing of the Issuer, as well as on the result of its operations or on the cash flow.

2.16 ADDITIONAL INFORMATION

2.16.1 Share Capital

The current share capital of the Company amounts to RON 3,012,210,410, divided into 301,221,041 ordinary shares, fully subscribed and paid-up, each with a nominal value of RON 10.

At the same time, on the date of the present document, there are no convertible or transferable shares, or any

shares accompanied by subscription certificates.

On the date of the present Prospectus, the Issuer does not hold its own shares. The issuer may come to possess its own shares in the Company only in observance of the specific terms and conditions applicable in case of a procedure for acquiring own shares, pursuant to the Company Law and the Regulation (EC) no 2273/2003 of the Commission, of 22 December 2003, on establishing the guidelines for enforcement of Directive 2003/6/CE of the European Parliament and of the Council regarding exemptions for buy-back programs and stabilization of financial instruments.

The issuer does not have knowledge of any right of procurement or any obligation related to the capital, or any commitment regarding share capital increase. The issuer does not have knowledge of any information regarding the share capital of any member of the Group, which might be the object of an option or of a conditional or unconditional agreement providing the granting of an option in respect of the capital.

2.17 SIGNIFICANT CONTRACTS

2.17.1 Significant Contracts Concluded during the Reference Period (01-01-2013 – 30.06.2015)

Commercial contracts

Supply Contracts

During the reference period (01.01.2013 – 30.06.2015), the Company concluded the following significant contracts for the supply of raw materials, materials and consumables:

- (i) Framework Agreement no 196/20.02.2013, concluded with SC Tyd Elan SRL, having as object the supply of chemicals for the Water Treatment Station at CNE Cernavoda, with a duration of 48 months and a maximum value of RON 5,018,669, the equivalent of approximately EUR 1,115,259.
- (ii) Framework Agreement no 515/24.04.2013, concluded with the association Energotech SA and Tyd Elan SRL, having as object the supply of oils and lubricants for CNE Cernavoda and the provision of analysis and diagnosis services regarding the degradation of oils, with a duration of 48 months and a total maximum value of EUR 1,248,298.95.
- (iii) Contract no 824 of 26.07.2013, concluded with Cameco Fuel Manufacturing Canada, having as object the supply of rectangular wire made of Zircalloy 4, for the production of appendices and slides that form the nuclear beams produced at FCN Pitesti, with duration of 48 months and a value of USD 1,165,044 USD.
- (iv) Contract no 996 of 2.10.2013, concluded with Cameco Fuel Manufacturing Canada, having as object the supply of un-welded pipes made of Zircalloy 4, for the production of the nuclear beams produced at FCN Pitesti, with duration of 48 months and a value of USD 23,200,000.
- (v) Contract no 46 of 16.01.2014, concluded with Emerson Process Management Romania, having as object the spare parts – automation components – for CNE Cernavoda, with duration of 12 months and a value of EUR 1,621,920.
- (vi) Contract no 434 of 9.04.2014, concluded with Compania Nationala a Uraniului, having as object the supply of natural Uranium under the form of UO₂ synthesizing powder, for the production of nuclear fuel at FCN Pitesti, with duration of 36 months and a value of RON 313,500,000, the equivalent of approximately EUR 69,600,000.

Contracts for supply of equipment and spare parts

During the reference period (1.01.2013 – 30.06.2015), the Company concluded the following significant contracts for supply of equipment, components and spare parts:

- (i) Contract no 2 of 3.01.2013, concluded with Ansaldo Nucleare SpA, having as object the supply of pneumatic control circuits for the vanes controlling the level of boilers at CNE Cernavoda, with duration of 10 months and a value of EUR 660,000.
- (ii) Framework Agreement no 472/10.06.2015, concluded with Robomatic SRL (exclusive representative of ASCO), having as object the supply of electromagnetic valves and components produced by ASCO for CNE Cernavoda, with duration of 48 months and a value of EUR 1,145,881.

- (iii) Contract no 412 of 5.04.2013, concluded with Romanian Chemical Services (representative of Dresser USA), having as object the supply of nuclear control vanes with pneumatic drive for CNE Cernavoda, with duration of 15 months and a value of USD 1,110,000.
- (iv) Framework Agreement no 1423 of 20.12.2013, concluded with Sulzer Pumps Canada, having as object the supply of spare parts for the Pumps of the Primary Heat Transport System at CNE Cernavoda, with duration of 48 months and a maximum value of USD 9,481,074.

Contracts for execution of works

During the reference period (1.01.2013 – 30.06.2015), the Company concluded the following significant contracts for execution of works:

- (i) Contract no 1138/25.09.2014, concluded with General Electric International Inc., having as object the Works for replacement of the Generex-type excitation control system of the Electric Generator at Unit 1 with a new generation EX2100e-type excitation control system, with a value of USD 26,727,142.
- (ii) Contract no 963 of 24.09.2013, concluded with the Association formed of AGER BUSINESS TECH, GMB COMPUTERS and ELCOMEX IEA, having as object the works for the Migration of applications and of IT security measures used at CNE Cernavoda on the present hardware and software platforms, the replacement or the upgrade of work points that are physically and morally obsolete, considering the applications used by them, and the supply of technical software support for the software products used, with duration of 36 months and a value of EUR 13,467,732.
- (iii) Contract no 279 of 3.03.2014, concluded with UTI Grup SA, having as object the Priority Works 1, stage 2, for the adjustment of the physical protection system of CNE Cernavoda, in view of maintaining operational the critical installations included in the vital structures, in case of threats outside the project bases, with duration of 12 months and a value of RON 21,798,119, the equivalent of approximately EUR 4,844,000.

Contracts for services

During the reference period (1.01.2013 – 30.06.2015), the Company concluded the following significant contracts for services:

- (i) Framework Agreement no 232 of 27.02.2013, concluded with the Association formed of XOR-IT Systems and Teamnet International, having as object Services for maintenance and repair works for computer technology, data entry services, services for computer network administration for CNE Cernavoda, with duration of 48 months and maximum value of RON 20,989,228, the equivalent of approximately EUR 4,664,272.
- (ii) Framework Agreement no 374 din 28.03.2013, concluded with the Association formed of Ager Business Tech - Hewlett Packard Romania, having as object Services regarding the supply of Microsoft licenses and the technical support necessary for the use of servers and work points of SNN (headquarters and branches) under the form of Enterprise Agreement (EA), with a duration of 48 months and a maximum value of EUR 4,610,650.
- (iii) Contract no 390 dated 1.04.2013, concluded with the Association formed of Elcomex – Energotech, for complex services of exploitation, maintenance and repair works of Cernavoda thermal power system. The contract price amounts to RON 23,988,500, the equivalent of EUR 5,330,000, for a period of 48 months.
- (iv) Contract no 663 of 10.06.2013, concluded with the company GMB Computers SRL, for Technical Service of IT maintenance and repair works for Hewlett - Packard servers and equipment at CNE Cernavoda. The contract price amounts to EUR 3,028,110, for a period of 48 months.
- (v) Contract no 947 of 20.09.2013, concluded with Mate Fin SRL, in view of Ensuring Radioprotection Equipment and related services for CNE Cernavoda – decontamination/washing, hygiene and maintenance of reusable radioprotection equipment and services of removal of used/irreparable equipment, labeling and treating them as radioactive or non-radioactive waste. The contract price amounts to RON 27,860,304, the equivalent of EUR 6,191,178, for a period of 48 months.
- (vi) Contract no 278 of 3.03.2014, concluded with SC Mate Fin SRL, having as object Services for the preventive and corrective maintenance of radioprotection systems and equipment of CNE Cernavoda, with duration of 60 months and the value of EUR 5,648,900.

- (vii) Contract no 1025 of 25.08.2014, concluded with NuclearServ Association, formed of ELCOMEX IEA, GENERAL CONCRETE, NIMB CONSMETAL STIZO NUCLEAR, UNIFY CO, having as object Services for repair works and maintenance of systems, installations and buildings within the security area of CNE Cernavoda, in view of plant operation under nuclear security and safety conditions, with a duration of 48 months and a value of RON 331,112,048, the equivalent of approximately EUR 75,252,738.
- (viii) Contract no 208 of 18.03.2015, concluded with SC Mate FIN SRL, having as object Management Services for the Radioactive Waste of CNE Cernavoda, with a duration of 48 months and a value of RON 4,000,000, the equivalent of approximately EUR 22,090,000.
- (ix) Framework Agreement no 169 of 04.03.2015, concluded with the Association formed of SC Titan Echipamente Nucleare SA and TECNATOM SA, having as object Integrated Services for the implementation and carrying out of the snubber program (shock absorbers) at CNE Cernavoda, with a duration of 48 months and a maximum value of EUR 7,590,360.
- (x) Contract no 777 of 20.06.2014, concluded with Siveco Romania, having as object Services of Technical Support for the licenses related to the IT system for administration of nuclear activities at CNE Cernavoda, together with Technical Support Services for the administration and the operation of the “Technical Support Services for SIVECO Applications and ORACLE licenses” system, along with services for software administration, modification and reconfiguration, upon request, as regards the financial-accounting applications forming the SIVECO Applications package used by SNN Executive and Pitesti NFP, with duration of 48 months and a value of EUR 14,493,322.

Contracts with “Apele Romane”

At present, the Company has two subscriptions concluded with “Apele Romane”, as sole operator, such as following:

- (i) Subscription no 2 of 27.01.2015 for the year 2015, having as object: usage of the Danube water for the nuclear plant – with a value of RON de 58,112,064, VAT excluded, the equivalent of approximately EUR 13,207,287;
- (ii) Subscription no 82/2011, to which addendum no 4 was concluded, valid for the year 2015 (RUEC 170/2015), having as object the Catchment of used waters, with a value of RON 11,056,827, VAT excluded, the equivalent of approximately EUR 2,512,915.

The two subscriptions in effect comply with the model of the framework subscription for the usage/exploitation of water resources, approved by Order no 798/2005 of the Minister of Environment and Water Management.

2.17.2 Contracts concluded prior to the reference date and carried out during 2013-2015

Significant supply contracts

Framework Agreement no 495 of 24.02.2012, concluded with SC Alstom Grid Romania SRL, having as object the supply of spare parts and technical assistance services for the preventive and corrective maintenance of the main terminal contact switches of Units 1 and 2 CNE Cernavoda. The Framework Agreement is concluded for a period of 120 months, the maximum estimate value amounting to EUR 1,549,648.10, VAT excluded, the equivalent of RON 6,730,896.52.

Contracts for Services

Contracts for Preventive and Corrective Maintenance of Various Equipment and Systems of Cernavoda Plant

- (i) Framework Agreement no 1599/29.12.2009 for maintenance services, concluded with the Consortium formed of GE Energy Parts International, LLC and General Electric International, Inc., having as object services for maintenance and repair works for turbo-generator and auxiliary devices both for Unit 1 and for Unit 2 of CNE Cernavoda, as well as supply of spare parts, for a period of 8 years. The maximum estimate value of the framework agreement is of USD 106,853,694, plus EUR 15,916,956, the equivalent of EUR 87,152,752, at the exchange rate EUR 1 = USD 1,5.
- (ii) Framework Agreement no TD 24893/455/13.04.2011, concluded with Babcock & Wilcox Canada Ltd., in view of providing services for maintenance, inspection, technical valuation of the steam generators of Units 1 and 2 of CNE Cernavoda, during the period 2011-2020. The maximum estimate value is of CAD 35,081,598.

- (iii) Framework Agreement no 454 of 8.05.2012, concluded with INETEC – Institute for Nuclear Technology Croatia, with a duration of 120 months, having as object Services for maintenance, inspection and valuation of the lifespan of heat switches within Units 1 and Unit 2 of CNE Cernavoda. The maximum value of the framework agreement is of EUR 5,988,225.36, VAT excluded.
- (iv) Framework Agreement no 1395 of 21.12.2012 (TD 25387/25388), concluded with Candu Energy Inc. for a period of 120 months, having as object Services for maintenance, inspection and valuation of the lifespan etc. of fuel channels and of feeders assembly of Unit 1 and Unit 2 CNE Cernavoda. The maximum value is of 64.977.794 CAD, VAT excluded.
- (v) Framework Agreement no 1346 of 14.12.2012, concluded with Man Diesel & Turbo UK Ltd, for a period of 120 months, having as object Services for preventive and corrective maintenance, including the provision of spare parts for the reserve Diesel groups of CNE Cernavoda. The Maximum value of the framework agreement is of GBP 8,300,000, VAT and other taxes excluded.

Other Significant Contracts for Services (Except for the Maintenance Ones) Carried Out by the Company during 2013-2015:

- (i) Framework agreement no 1087/29.11.2010 (TD 24980), concluded with SC Elcomex IEA SA, having as object the provision of services for reengineering the transformers for power release, including the supply of a new transformer for power release. The validity of the Framework Agreement is of 10 years as of execution. The maximum value is of EUR 11,856,028, the equivalent of RON 50,657,251.69, VAT excluded.
- (ii) Framework agreement for services no 302 of 6.12.2005, concluded with Siveco Romania SA, having as object the Implementation and rendering operational of the IT system for the administration of nuclear production activities (Work Management System). This contract is carried out on stages/modules, each stage being subject to an Addendum to the contract. Until present, 13 addenda were concluded, with a total value of EUR 48,484,725, VAT excluded, such as follows:
 - a. Addendum 1 – Stage I of Phase I – Implementing the module for management of maintenance activities (Indus Asset Suite - IAS Work Management) and its integration within the existing Proc-Sys modules for acquisition and management of SIMS materials, for a number of 200 licences/users – value EUR 2,699,920;
 - b. Addendum no 3 – Stage II of Phase I – Implementing the module for management of maintenance activities (Indus Asset Suite (IAS) Work Management – version 5.03) and its integration within the existing Proc-Sys modules for acquisition and management of SIMS material”, for a number of 200 licences/users – value EUR 2,359,452;
 - c. Addendum 4 - “Electronic System for Management of Curator Documents – Phase I” (stand-alone implementation for Unit 1 and Unit 2) for a number of 1,500 licenses/nominal users – value EUR 1,840,000;
 - d. Addendum no 5 – Technical assistance for the administration and operation of IAS-Passport IT system, of Work Management module and of the interface with SIMS inventories management application, for the period September 2007 – January 2008 – value EUR 594.970;
 - e. Addendum no 6 – IT system for administration of nuclear activities at CNE Cernavoda – licences and services for implementation of Phase 2 – Stage 1 (AS - Work Management and SIMS extension for Unit 2, services and licenses – 300 AS, 85 SIMS) – value EUR 5,980,000;
 - f. Addendum no 7 – IT system for administration of nuclear activities at CNE Cernavoda – licenses and additional services – Phase 2 – Stage 2 (Document Management, Action Tracking (Module for tracking the corrective actions), Equipment Tag Out (Module for tracking the insulation of equipment), services and licenses – 100 AS, 10 RPM) – value EUR 4,920,000;
 - g. Addendum no 8 – IT system for administration of nuclear activities at CNE Cernavoda – licences and additional services – Phase 2 – Stage 2 – Oracle Human Capital Management module for management of human resources – value EUR 2,180,000;
 - h. Addendum no 9 – IT system for administration of nuclear activities – services for implementation of Ventyx Asset Suite modules (Phase 3 Stage 1), additional licences, technical support services for licences and technical support services for administration – value EUR 19,450,000;
 - i. Addendum no 11 – Services for data processing, administration, development and modification of software, in view of optimizing and integrating the applications running within the NPP network, as well as in view of ensuring the proper integration of the Asset Suite modules – value EUR 210,383;
 - j. Addendum no 13 – IT system for administration of nuclear activities of CNE Cernavoda – services

of analysis and implementation of modules related to the activities for ensuring assets and services (AS Inventory Management, Purchasing, Account Payable and integration within existing financial modules) and to the radioprotection activities (AS Total Exposure) (Phase 3 Stage 2) – value EUR 8,250,000.

Energonuclear is part of the following contracts:

Contract for Consultancy Services

The contract for financial consultancy for Unit 3 and Unit 4 Cernavoda, concluded by Energonuclear SA with The Royal Bank of Scotland plc. Niederlassung Frankfurt, in view of providing financial consultancy services related to the development of Unit 3 and Unit 4 CNE Cernavoda. The Contract is no longer in force on the date of the present Report, as such expired on 17.02.2015. The price of the contract was of EUR 800,000 during the first phase and EUR 1,400,000 during the second phase, VAT excluded, plus expenses which did not exceed EUR 3,000/month. During the first phase, approximately EUR 825,530 were spent, including expenses, and during the second phase EUR 50,000 were spent.

Contracts for Services

- (i) Contract no 20/2011 for authorization services regarding nuclear security and engineering of preliminary works to the project for Units 3 and 4 of CNE Cernavoda, concluded by Energonuclear SA with Candu Energy Inc. The contract value amounted to 11,900,000 CAD, VAT excluded, out of which the amount of 400,000 CAD remained unused, representing reimbursable costs. The contract expired on 31.12.2014.
- (ii) Contract no 16 of 01.06.2011 for Legal Assistance Services, concluded with White & Case LLP. The contract value amounts to EUR 386,480, VAT excluded, out of which the amount of EUR 15,242.54 is still available.

2.18 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

The Intermediary hereby declares to have no interest in the Issuer's share capital increase, except for interests relating to the best execution of the investment services agreement concluded with the Issuer.

The Issuer hereby declares to have no interest in the share capital increase except for interests arising from the successful completion of the share capital increase procedure.

The prospectus does not include statements or reports attributed to a person who acts as an expert for this Offer. Information from third parties were accurately reproduce or after the Issuer's knowledge, no facts have been omitted that would make such information inaccurate or misleading.

2.19 DOCUMENTS AVAILABLE TO THE PUBLIC

This Prospectus will be available on the website of the BVB at www.bvb.ro, on the website of the Issuer at www.nuclearelectrica.ro, and Intermediary, at www.brd.ro, and hard copies thereof will be provided free of charge upon request during normal business hours at the headquarters of BRD – Groupe Societe Generale S.A. located at Bd. Ion Mihalache Nr. 1-7, 1st District, Bucharest, Romania, and at the headquarters of the Company. Moreover, during the valability of the offer, on the website of the Issuer, at www.nuclearelectrica.ro, will be available, at least, the following documents:

- The Prospectus;
- The Issuer' Organization Chart;
- The Consolidated Audited Financial Statements for the years ended December 31, 2014 and December 31, 2013 and the related auditor's report;
- The Consolidated Revised Interim Financial Statement for six month period ended June 30, 2015 and June 30, 2014 and the related auditor's report;
- The Issuer's Articles of Association;
- The Subscription Form;
- The Subscription cancellation form.

3.1 RESPONSIBLE PERSONS

The information concerning responsible persons is mentioned on page 15 of this Prospectus.

3.2 RISK FACTORS

The information concerning risk factors is mentioned on pages 16-25 of this Prospectus.

3.3 KEY INFORMATION

3.3.1 Working capital statement

The Issuer states that, in its opinion, has a net working capital sufficient for its current obligations.

3.3.2 Capitalization and indebtedness

At the end of 2014, according to the financial statements prepared in accordance with IFRS UE, the Company's equity amounted to RON 7,491,602,495 and the net current liabilities amounted to RON 478,733,220, out of which interest-bearing borrowings were RON 204,680,260 (current part of the long terms loans). At the end of 2014, the debts represented around 24% of the total Company's assets.

As of 30.06.2015, according to the financial statements prepared in accordance with IFRS UE, the Company's equity amounted to RON 7,403,885,190 and the net current liabilities amounted to RON 453,344,998, out of which interest-bearing borrowings were RON 205,672,395 (current part of the long terms loans). At the same date, the debts represented around 23% of the total Company's assets.

3.3.3 Interest of natural and legal persons involved in the issuance

The Issuer states that, to the best of its knowledge, the information taken from the financial statements were accurately reproduced and does not omit facts/elements that would make the information incorrect or misleading.

The Issuer states that it has no material interest for the Offer, except the interests deriving from the Share Capital Increase.

The Intermediary has no interest and no conflicts of interest that could significantly influence the Share Capital Increase, except for the execution of the intermediation agreement signed with the Issuer in this respect.

3.3.4 Reasons for the offer and use of proceeds

According to the Board of Directors' Decision dated 11.08.2015, the Company's Share Capital Increase was approved with contribution in kind and cash in maximum total amount of RON 3,550,110, from the current value of RON 3,012,210,410 to the value of RON 3,015,760,520, by issuing a maximum number of 355,011 new, nominative, dematerialized shares, at a price of RON 10/share, equal to the nominal value (without share premium), out of which:

- (i) 292,810 New Shares, in amount of RON 2,928,100, representing the contribution in kind of the Romanian State through the Ministry of Energy, Small and Medium Enterprises and Business Environment, following the issuance of the land ownership certificate no 12900, series M03 by the Ministry of Economy, for the undivided share land of 2,239.05 sq.m., located in 33, Gheorghe Magheru Blvd., Bucharest and of the land ownership certificate series M03, no 9463/04.02.2005 by the Ministry of Economy for the land called "Guard house and Access Road" land, located in Saligny, Constanta county;
- (ii) maximum 62,201 New Shares, in amount of RON 622,010 that will be offered within the pre-emptive right for subscription in exchange for the contribution in kind of the Romanian State through the Ministry of Energy, Small and Medium Enterprises and Business Environment to the other shareholders, namely the persons that are shareholders on the Record Date, in order to maintain their

participation in SNN on Record Date.

The Board of Directors' Decision was disclosed to the market through the Current Report dated 11.08.2015 and it was published in the Official Gazette of Romania no. 4600/27.08.2015.

3.4 INFORMATION REGARDING THE SECURITIES TO BE OFFERED / ADMITTED TO TRADING

3.4.1 A description of the type and the class of the securities being offered and admitted to trading, including the ISIN code

The Newly Issued Shared will be offered to the shareholders for subscription at a price of RON 10/share, without a share premium, proportionally to their participation in the share capital of the Company on the Record Date.

Same as the Existing Shares, the shares to be issued within the Share Capital Increase will be shares of the same class, namely ordinary, indivisible shares and will confer to their holders the same rights as conferred by the Existing Shares.

All the Issuer's shares are governed by the companies' law and the rules and regulations applicable to the capital market in force. The Issuer's shares are traded on BSE, Premium Category, starting with 04.11.2013 and having the ISIN code: ROSNNEACNOR8.

Recordkeeping is ensured by Depozitarul Central, having its headquarters in 34-36, Carol I Blvd, 3, 8 and 9 floors, district 2, postal code 020922, Bucharest.

3.4.2 Legislation under which the securities have been created

Shares are issued and offered in accordance with Romanian laws, namely the Capital markets Law no. 297/2004 and the relevant secondary legislation issued by FSA and the Companies Law no. 31/1990.

Any litigation arising from or in connection with the Shares will be settled by the competent Romanian authorities.

3.4.3 An indication whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form

The Issuer's shares are registered, dematerialized shares, issued in RON and gives their holders equal rights and obligations, in accordance with the Companies Law, the applicable Capital markets regulations and the provisions of the Company's Articles of Association. The Shares subscribed within the Share Capital Increase will be registered into an account, their records are kept by Depozitarul Central.

3.4.4 The currency of the securities issue.

The Shares are issued in RON.

3.4.5 A description of the rights attached to the Newly Issued Shares, including any limitations of those rights, and procedure for the exercise of those rights.

Below are presented the main rights attached to the Existing Shares and that will be attached to the Newly Issued Shares. Thus, in accordance with the legal provisions in force and the Articles of Association, each of the Company's share confers the holder the following rights:

- (i) *The right to participate and to vote at the Company's general shareholders' meetings:* Any shareholder may participate at the Company's general shareholders' meetings, each subscribed and paid-up share conferring the right to one vote, the right to elect and be elected in the company's management bodies, the right to participate in the company's dividend distribution and the right to make claims in the event of Company's liquidation. The right to vote can be exercised only to the extent that shareholders comply with the provisions required by the applicable specific legislation and only to the extent that this voting right has not been suspended by the company's Board of Directors.

Shareholders may participate and vote at the general meetings by proxy, based on a special power of attorney given for that meeting. Shareholders may be represented by other persons than the shareholders, except for Board members, managers, officers or other company's employees. The meeting's calling notice will indicate how and when to submit relevant powers of attorney.

When in respect of certain company operations, there are shareholders who, either in person or as a representatives of another person, have interests that are contrary to the interests of the company, such shareholders will have to abstain from deliberations relating to those operations, or shall otherwise be held liable for damage caused to the company, provided that their votes were needed to obtain a majority.

The right to vote cannot be given up, any agreement by which the shareholder undertakes to exercise the right to vote in a certain manner void.

- (ii) *The right to elect and be elected in the Company's management bodies*
- (iii) *The right to dividend, to participate in the distribution of the net profit, respectively:* The General Shareholders Meeting is the Company's main corporate governance body, deciding on the Company's operations, economic and business policies. The General Shareholders Meetings will meet at least once a year, being mandatory a meeting within 5 months from the end of the financial year. Depending on the Company's financial result, the GSM will decide on the distribution of the net profit as dividends, if any. If the Company registered a loss of the net assets, the subscribed share capital will have to be replenished or reduced before it could make any distribution of the profit. The GSM which decides the dividends distribution will set a date that will be later with at least 10 business days from the date of GSM that will serve to identify the shareholders who will benefit from dividends. Dividends will be paid within the deadline established by the GSM, though no later than six months from the date of GSM that established.
- (iv) *The pre-emptive right* is the right associated exclusively with a share capital increase operation and confers to the shareholder the pre-emptive right to subscribe the new shares issued within a share capital increase proportional with its quota and protects it from the dilution risk. The pre-emptive rights are conferred to all shareholders registered on the record date in the issuer's shareholders register, regardless of their participation in the issuer's Extraordinary General Shareholders Meeting or the vote given with respect to the share capital increase. The resolution of the Extraordinary General Shareholders Meeting will be submitted to the trade register office by the company's board of directors, for the purposes of amendments to the information with the Trade Registry and publication of amended information in the Official Gazette of Romania, Part IV. The shares issued for the company's share capital increase will be offered to the existing shareholders according to the number of existing shares held as of record date. The unsubscribed shares, within the subscription period, will be cancelled and the share capital increase will be validated within effective paid amount based on a valid subscription. The pre-emptive rights will be exercised within the term established by the general meeting. The term given for the exercise of the pre-emptive rights will not be shorter than a month and will be subsequent to the record date and the publication of the relevant general meeting resolution in the Official Gazette of Romania, Part IV. The term will be indicated in the Prospectus, in accordance with the Capital market law. The number of the pre-emptive rights is equal to the number of shares registered in the shareholder register as of record date established by the EGSM. The Extraordinary General Meeting's resolution regarding the share capital increase will include information on the number of pre-emptive rights required to purchase one new share, the price of the new shares subscribed by exercising pre-emptive rights, the subscription period and the price for which the public may subscribe the new shares following the exercise of the pre-emptive rights, if applicable. Shareholders are also entitled to pre-emptive rights when the company issues convertible bonds.
- (v) *The right to allocation of free shares in case of share capital increase from internal resources*
- (vi) *The right to information* based on which the shareholders may request to view records of deliberations and minutes of the general shareholders meetings and of the board of directors exercising powers delegated by the general shareholders meeting, financial statements and documents related to the items from the agenda of the shareholders' meetings.
- (vii) *The right to assets obtained from the Company's liquidation or the right to a portion of the Company's*

net assets in liquidation

(viii) *The right to challenge the decisions of the general shareholders meetings or of the board of directors adopted by proxy*

(ix) *The right to withdraw from the Company in certain cases provided by law.* According to the legislation in force, the shareholders that did not vote in favour of a resolution of the general shareholders meeting have the right to withdraw from the company and to request the company to acquire their shares, only if the decision refers to:

- a. Changing the company's main object of activity;
- b. Relocating the Company's office to another country;
- c. Changing the Company's legal form of incorporation;
- d. The company's merger or spin-off.

The legal provisions regarding the withdrawal of the shareholders from a company are established in *Law no. 297/2004, art. 206 and art. 207, as amended and supplemented*. The shareholders are also entitled to withdraw in case they do not agree with the Extraordinary General Shareholders Meeting resolution regarding the company's delisting from the stock exchange.

The shareholders who individually or together hold a certain percentage of the company's share capital have a number of additional rights, as follows:

- (i) Minimum 5% of the share capital have the right - to request reports and to add items on the agenda of the general meeting of shareholders;
- (ii) Minimum 10% of the share capital have the right – to convene a general shareholders meeting and to request an expertise as regard the company's activity.

The redemption of the shares will be realized in accordance with legal provisions applicable.

There are no provisions regarding the conversion of shares.

3.4.6 Resolutions, authorisations and approvals by virtue of which the Newly Shares have been issued

The issuance of share, the Share Capital Increase respectively, is based on the Board of Directors decision dated 11.08.2015, which was published in the Official Gazette Part IV, no. 4600/27.08.2015.

3.4.7 The expected issue date of the Newly Issued Shares

After the closing of the Subscription Period, the Intermediary will notify FSA as regards the results of the Offering. After the confirmation of receipt of the notification by FSA on the results of the Share Capital Increase, the Issuer will take all the necessary steps to register the Share Capital Increase at the Trade Registry and to issue the ascertaining certificate with the new share capital. Based on the ascertaining certificate issued by the Trade Registry, the FSA will issue the Securities Registration Certificate and the shareholders will receive their shares subscribed on the date of their registration within Depozitarul Central.

After the issuance of the Securities Registration Certificate, the Issuer will take all the necessary steps for the admission to trading of the New Shares subscribed in the Offering.

3.4.8 A description of any restrictions on the free transferability of the Newly Issued Shares

Not applicable.

3.4.9 Information on taxes on the income from the securities withheld at source and indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source

According to the legal provisions in force in Romania, at the data of the Prospectus, the tax rate on dividends is 16%, withheld by the company. The obligation to calculate, withhold and pay the tax on incomes from dividends lies with the Company together with the dividends payment to the shareholders.

According to the legal provisions in force in Romania, capital gains realised by individuals or legal entities from the sale of shares are subject to a tax rate of 16%.

In case of the non-resident shareholders (individuals or legal entities), capital gains tax may be reduced or eliminated depending on the country of residence of non-resident shareholders and the provisions of the double

taxation treaty (if any) entered into between Romania and the country of residence of the non-resident shareholders.

To be protected by the provisions of a double taxation treaty, a non-resident person must obtain a tax residence certificate issued by the tax authorities of its country of residence which should be valid for the year in which capital gains were realised.

The information presented above are based on the legal provisions applicable in Romania in force at the date of the Prospectus and are not intended to represent a legal opinion or be a comprehensive analysis of all possible tax considerations that result from the acquisition, holding or selling the shares issued by the Company.

The Company recommends potential investors that prior to decide whether to subscribe the Newly Issued Shares, to seek advice from their legal, tax and financial advisors with respect to tax regulations applicable in their specific case, including the applicability of double taxation treaties and potential changes in tax legislation.

3.5 CONDITIONS OF THE OFFER

3.5.1 Conditions, offer statistics, expected timetable and action required to apply for the offer

Within the Subscription Period, the shareholders registered in the company's Shareholders Register as of Record Date, i.e. **28.08.2015**, are entitled to subscribe and pay shares subject to the issuance, proportionally to their participation in the share capital of the Company on the Record Date.

Preference rights will be exercised within one month from the term indicated in the Prospectus, subsequent to the Record Date and the publication of the relevant decision of the Board of Directors in the Official Gazette of Romania, Part IV; shareholders will have the right to subscribe a number of shares corresponding to the number of shares held on the Record Date.

The subscription will be made at a price of RON 10/share, equal to the nominal value, without share premium. The number of Pre-emptive Rights which is offered to each shareholder will correspond to the number of shares issued by SNN, held on the Record Date.

The subscription rate, representing the number of Pre-emptive Rights required for subscription of a Newly Issued Share, will be **0.00117856**. Consequently, each existing shareholder registered as of Record Date may subscribe 0.00117856 Newly Issued Shares for each share held.

The actual number of shares that each shareholder may subscribe is determined by multiplying the Subscription rate (**0.00117856**) by the held number of shares, and the result, unless it is not a whole number, will be rounded downward to the nearest resulting whole number.

3.5.2 The shares subscriptions

The Subscription Period within the Offering of the Newly Issued Shares will start on 19.10.2015, on the next Business Day following the publication date of the Prospectus on the Issuer and Intermediary's website and will continue for a period of thirty-one (31) calendar days until 18.11.2015.

The shareholders registered as of Record Date in the Issuer's Shareholders Register kept by Depozitarul Central can exercise their Pre-emptive Rights to subscribe within the Offering by filling in the Subscription Form and submitting it together with all the required documents for a valid registration of the subscription, as follows:

- (i) At the Intermediary's headquarters at BRD Tower, 1-7 Ion Mihalache Blvd, postal code 011171, 1st District, Bucharest, Romania, contact person Gabriela Dolea, telephone 021 301 41 53, between 9:00 a.m. and 04:00 p.m. on each Business Day, except for the last day of the Subscription Period 18.11.2015, that will close at 12:00 p.m.
- (ii) By post, with return receipt, within the 31 days subscription period, to the Intermediary's headquarters, respectively to the following address: BRD Tower, 1-7 Ion Mihalache Blvd, postal code 011171, 1st District, Bucharest, Romania. The Intermediary will take into consideration only the Subscription Forms registered at its headquarters until the last day of the Subscription Period, respectively until 18.11.2015 including.

It will be taken into consideration only the Subscription Forms registered at the Intermediary's headquarters until the last day of the Subscription Period, including. After the cut-off time no subscriptions will be accepted from the Company's shareholders. At the Subscription Form it will be attached the evidence of payment for the shares subscribed, respectively the amount equal to the number of the shares subscribed multiplied by the subscription price. The payment of the shares subscribed will be made via bank transfer in the Collection Account. No interest will be payable to investors in respect of such amounts.

Each subscriber within the Offering shall be entitled to subscribe shares proportionally to their participation in the share capital of the Company on the Record Date and can find information on the number of shares which the shareholder is entitled to subscribe at the Intermediary's headquarters.

The subscription Form is available at the Intermediary's headquarters, as well as on the websites: www.brd.ro and www.nuclearelectrica.ro.

The payment for the shares subscribed will be made in the Collection Account no. **RO 79 BRDE 427 SV00084064270** opened by the Issuer with **BRD – Groupe Societe Generale SA**. The associated bank fee shall be borne by the subscriber. The subscription is considered valid when the Collection Account is credited with the amounts representing the value of the subscriptions, but not later than 12:00 on the last day of the Offering.

In case that the amount transferred by the shareholder to the Collection Account is lower than the amount required for the subscription of the number of shares indicated in the Subscription Form, the relevant shareholder will be allotted a number of shares corresponding to the amount paid.

If the amount transferred is higher than the amount required for the subscription of the number of Shares indicated, the request for subscription will be validated for the number of shares indicated in the Subscription form, while any remaining amounts not allocated to the subscription will be returned within maximum 5 Business Days from the closing of the Subscription Period, to the account indicated by the relevant shareholder in the Subscription Form.

Each payment order is equivalent to a single subscription and combining more than one payment order for one single valid subscription is not permitted. The subscription price for the subscribed shares does not include the bank fees or other applicable charges. The investors must take into consideration the charges applicable to bank transfers and duration of bank transfers.

The Intermediary will not be held responsible if, for reasons outside its control, the Collection Account is not effectively credited with the amounts representing the value of the subscriptions by the end of the last Business Day of the Subscription Period.

When registering the subscriptions, the equivalent value of the subscribed shares must be fully paid, meaning that the respective amounts have to be transferred in the Collection Account. Cash deposits are not accepted directly into the Collection Account. The subscription Form has to be accompanied by the evidence of payment for the shares subscribed. In order to be able to exercise their Pre-emptive Rights, shareholders must fill in the Subscription Form and to attach the following documents:

A. Resident individuals subscribing in their own name:	<ul style="list-style-type: none"> - ID (original and copy);
B. Resident individuals subscribing in the name of other individuals:	<ul style="list-style-type: none"> - ID (original and copy) of the representative and the ID (in copy) of the represented individual; - Notarized power of attorney for the representative (original or notarized copy).
C. Resident individuals with no legal capacity (impaired judgement) or placed under guardianship:	<ul style="list-style-type: none"> - ID (original and copy) of the resident individual subscribing for the represented individual and the ID of the person with no legal capacity (copy); - Passport (original and copy) and/or residence permit (original and copy) of the individual subscribing for the person with no legal capacity – applicable only to foreign citizens; - The guardianship document or, as appropriate, the trustee or the special trustee document.
D. Non-resident individuals subscribing in their own name:	<ul style="list-style-type: none"> - Passport or ID issued by a member state of the EEA (original and copy);
E. Non-resident individuals subscribing through resident authorised representatives:	<ul style="list-style-type: none"> - Passport or ID issued by a member state of the EEA (original and copy) for the represented individual; - ID for the authorised representative (original and copy) - The notarized (and, if the case, apostilled) power of attorney for the representative (original and copy). - Notarized translation in Romanian or English of such notarized power of attorney in which the attorney may conclude legal acts for and on behalf of non-resident person;
F. Resident corporate entities subscribing in their own name:	<ul style="list-style-type: none"> - Registration certificate issued by the Trade Registry (copy); - up-to-date articles of association/ statute (certified copy by the legal representative of the legal person); - ascertaining certificate specifying the legal representatives (in Romanian, certificat constator) issued by the Trade Registry dated no more than 30 business days prior to the date of subscription (original); - Power of attorney/Mandate in original for the person(s) signing the Subscription Form, issued as stipulated by the constitutive act or proof that the person concerned is legally representing the subscribing corporate entity, with individual representation right (if the company is collectively represented by two or more persons who all are present for the signing of the Subscription Form, such proof shall be presented for all such persons) (power of attorney in original and any other documents certified for their conformity with the original by the legal representative of the legal entity); - ID (original and copy) of the person subscribing in the name of the legal person.

G. Non-resident corporate entities subscribing in their own name:	<ul style="list-style-type: none"> - Registration or incorporation certificate issued by the trade registry or equivalent institution from the jurisdiction of incorporation, if existing (copy); - up-to-date articles of association/ statute (certified copy by the legal representative of the non-resident corporate entity); - ascertaining certificate/ certificate of current standing or equivalent documents issued by the trade registry or equivalent institution from the jurisdiction of incorporation or, if no institution is authorised to issue such certificate, any other document evidencing the legal representatives of the relevant corporate entity (original), dated no more than 30 business days prior to the date of subscription (original); such corporate document of the non-resident corporate entity shall set out clearly whether the legal representatives are entitled to act individually or jointly; - In case subscriptions are made through a person other than the legal representative(s) of the non-resident corporate entity, the power of attorney/mandate signed by the legal representatives of the non-resident corporate entity empowering the respective person to subscribe the shares on behalf of the non-resident corporate entity (original and copy); - IDs for the person making the subscription as legal representative or attorney in fact of the non-resident corporate entity: passport, ID (for citizens of EU/EEA) (copy).
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H. Non-resident corporate entities subscribing through a resident corporate entity	<ul style="list-style-type: none"> - Registration or incorporation certificate issued by the trade registry or equivalent institution from the jurisdiction of incorporation, if existing (copy); - up-to-date articles of association/ statute (certified copy by the legal representative of the non-resident corporate entity); - ascertaining certificate/ certificate of current standing or equivalent documents issued by the trade registry or equivalent institution from the jurisdiction of incorporation or, if no institution is authorised to issue such certificate, any other document evidencing the legal representatives of the relevant corporate entity (original), dated no more than 30 business days prior to the date of subscription (original); such corporate document of the non-resident corporate entity shall set out clearly whether the legal representatives are entitled to act individually or jointly; - Registration certificate for the representing resident corporate entity issued by the Trade Registry (copy); - up-to-date articles of association/ statute of the representing resident corporate entity (certified copy by the legal representative of the legal person); - ascertaining certificate (in Romanian, certificat constatator) for the representing resident corporate entity issued by the Trade Registry dated no more than 30 business days prior to the date of subscription (original); - ID for the legal representative of the representing resident corporate entity subscribing on behalf of the non-resident corporate entity (original and copy) - Power of attorney signed by the legal representative(s) of the non-resident corporate entity empowering the resident corporate entity to subscribe to the Offering.
I. IFIs	<ul style="list-style-type: none"> - Articles of association/ statute of the IFI or a copy of the Romanian law whereby Romania accepts or adheres to the articles of association/ statute of the relevant IFI; - Power of attorney/Certificate empowering the person who will sign the Subscription Form to subscribe on behalf of the IFI (in original or notarised copy); - ID for the person who signs the Subscription Form on behalf of the IFI (copy).

J. Resident/non-resident individual represented by an asset management company through a portfolio management mandate Documents for the asset management company	<ul style="list-style-type: none"> - ID (copy), in case of resident individuals; - Passport or ID for citizens of the EU/EEA (copy), in case of non-resident individuals - Representation mandate (original and copy); - Registration certificate issued by the Trade Registry (copy); - Up-to-date articles of association/ statute (certified copy by the legal representative of the legal person); - Ascertaining certificate (in Romanian, certificat constatator) issued by the Trade Registry dated no more than 30 business days prior to the date of subscription (original); - Power of attorney/Mandate in original for the person(s) signing the Subscription Form, issued as stipulated by the constitutive act or proof that the person concerned is legally representing the subscribing corporate entity, with individual representation right (if the company is collectively represented by two or more persons who all are present for the signing of the Subscription Form, such proof shall be presented for all such persons) (power of attorney in original and any other documents certified for their conformity with the original by the legal representative of the legal entity); - ID (original and copy) of the person subscribing in the name of the legal person.
K. Entities managed by other resident or non-resident corporate entities (eg. investment funds, pension funds)	<ul style="list-style-type: none"> - The documents listed below shall be submitted for the corporate entity that manages the respective entity and shall be accompanied by the authorisation received by the respective entity from the competent supervisory authority; - Registration certificate issued by the Trade Registry (copy); - Up-to-date articles of association/ statute (certified copy by the legal representative of the legal person); - Ascertaining certificate (in Romanian, certificat constatator) issued by the Trade Registry dated no more than 30 business days prior to the date of subscription (copy); - Power of attorney/Mandate in original for the person(s) signing the Subscription Form, issued as stipulated by the constitutive act or proof that the person concerned is legally representing the subscribing corporate entity, with individual representation right (if the company is collectively represented by two or more persons who all are present for the signing of the Subscription Form, such proof shall be presented for all such persons) (power of attorney in original and any other documents certified for their conformity with the original by the legal representative of the legal entity); - ID (original and copy) of the person subscribing in the name of the legal person.

All documents submitted by the investors in relation to their subscription of Shares shall be in English or Romanian, or accompanied by a notarized translation of such documents into English or Romanian.

The filled and signed Subscription Form as well as the documents referred to above will be submitted by hand, courier or post, return receipt requested, at the Intermediary headquarters from Bucharest, BRD Tower, 1-7 Ion Mihalache Blvd, postal code 011171, 1st District, Romania, in a sealed envelope with the specification “*for the share capital increase of S.N. Nuclearelectrica SA*”.

If opting for submission by post or courier, the shareholders should be aware of the fact that documents should reach the Intermediary’s headquarters no later than 12:00 p.m. on the last day of the Subscription Period. No subscriptions will be accepted after that date.

After the closing of the Subscription Period, the Issuer’s Board of Directors will convene to verify the relevant subscriptions and payments, and acknowledge the outcomes of the subscriptions.

After the Board of Directors issues the report regarding the results of the Offering, the Company will register the share capital increase with the Trade Register. Following the issuance by the Trade Register of the ascertaining certificate, this will be submitted to FSA, and after the issuance of the securities registration certificate by FSA; the new shares will be registered with Depozitarul Central.

3.5.3 If simultaneously or almost simultaneously with the creation of the securities for which admission to trade on a regulated market is being sought securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate

Not applicable.

3.5.4 Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment

Not applicable.

The Intermediary will prepare and send a notification regarding the results of the Offering to the Bucharest Stock Exchange and Financial Supervisory Authority, within 5 Business Days after the closing of the Subscription Period. The notice will be published on the Bucharest Stock Exchange website (www.bvb.ro).

3.5.5 An indication of when, and under what circumstances, the offer may be revoked or suspended

Not applicable.

3.5.6 Whether revocation can occur after dealing has begun

Not applicable.

3.5.7 Allotment

According to the Board of Directors’ decision as of 11.08.2015, the Share Capital Increase will be with contribution in kind and cash in maximum total amount of RON 3,550,110, from the current value of RON 3,012,210,410 to the value of RON 3,015,760,520 by issuing a maximum number of 355,011 new, nominative, dematerialized shares, at a price of RON 10/share, equal to the nominal value (without share premium), out of which:

- (i) 292,810 New Shares, in amount of RON 2,928,100, representing the contribution in kind of the Romanian State through the Ministry of Energy, Small and Medium Enterprises and Business Environment, following the issuance of the land ownership certificate no 12900, series M03 by the Ministry of Economy, for the undivided share land of 2,239.05 sq.m., located in 33, Gheorghe Magheru Blvd., Bucharest and of the land ownership certificate series M03, no 9463/04.02.2005 by the Ministry of Economy for the land called “Guard house and Access Road” land, located in Saligny, Constanta county;
- (ii) maximum 62,201 New Shares, in amount of RON 622,010 that will be offered within the pre-emptive right for subscription in exchange for the contribution in kind of the Romanian State through the Ministry of Energy, Small and Medium Enterprises and Business Environment to the other shareholders, namely the persons that are shareholders on the Record Date, in order to maintain their participation in SNN on Record Date.

Each shareholder registered as of Record Date, i.e. 28.08.2015, will be able to subscribe shares, proportionally to their participation in the share capital of the Company on the Record Date, while remaining shares will be cancelled. Each subscriber will be allotted the number of shares subscribed, subject to subscription validation according to this Prospectus.

After the closing of the Offering, before the registration of the Share Capital Increase with Depozitarul Central, each subscriber can find the number of the allotted shares at the Intermediary's headquarters.

Trading of shares subscribed and allotted will take place after the completion of the procedures of share capital increase by the Issuer and the registration thereof with Depozitarul Central.

The Board of Directors will issue a report regarding the results of the subscriptions, at the end of the Subscription Period.

3.5.8 Pricing

According to the Board of Directors' decision dated 11.08.2015, the subscription price of the shares is RON 10/shares. The subscription price was made public by the publication of the Board of Directors' decision dated 11.08.2015 in the Official Gazette Part IV, no. 4600/27.08.2015 and by this Prospectus.

3.5.9 Placing and subscription

The intermediary of the Offering is BRD – Groupe Societe Generale, a credit institution authorized to perform specific activities of the capital market by the National Securities Commission (ASF) under no. 255/06.08.2008, having its headquarters in 1-7 Ion Mihalache Blvd, 1st District, Bucharest, registered with the Bucharest Trade Registry under no. J40/608/1991, duly represented by Mr. Iliescu Bogdan, as Executive Director of Corporate Finance.

The Issuer is Societatea Nationala Nuclearelectrica S.A., a Romanian legal person registered with the Trade Register under no. J40/7403/1998, Unique Registration Code 10874881, having its headquarters in Bucharest, 65 Polona St., 1st District, website: www.nuclearelectrica.ro, duly represented by Ms Daniela Lulache, as Chief Executive Officer.

Shares will be registered with Depozitarul Central, a company headquartered in Bucharest, District 2, postal code 020922, 34-36 Carol Blvd., floors 3, 8 and 9, website: www.rocLEAR.eu.

3.5.10 Subscription revocation

Subscriptions under this Offering may not be revoked by the shareholder/person performing the subscription. Nevertheless, subscriptions may be revoked within 2 Business Days from the publication of an amendment to this Prospectus, by filling in, signing and submission of the Revocation Form to the Intermediary. Corresponding amounts will be returned to the persons cancelling their subscriptions within 5 Business Days from the revocation of the subscription, by bank transfer to the bank account indicated by the relevant shareholder in the Revocation Form. No interest will be payable to investors in respect of such amounts.

3.6 ADMISSION TO TRADING AND DEALING ARRANGEMENTS

After submission to FSA of the confirmation regarding the closing of the Offering, the Issuer, with the Intermediary's support, will take all the necessary steps to complete the Share Capital Increase procedure by registering the share capital increase with Depozitarul Central and ensuring that shares are traded on the regulated market managed by the BSE.

After the Board of Directors issues the report regarding the results of the Offering, following the closing of the Subscription Period, the Company will register the share capital increase with the Trade Register. Following the issuance by the Trade Register of the ascertaining certificate, this will be submitted to FSA, and after the issuance of the securities registration certificate by FSA the new shares will be registered with Depozitarul Central.

The shares issued by the date of this Prospectus are traded on BSE, Premium category, under the trading symbol SNN, starting with 04.11.2013. After the subscriptions, the new shares will be traded on the BSE according to the relevant legal provisions.

There is no intention to apply for admission to trading of the Pre-emptive Rights attached to the offered shares.

After the creation of the securities, there is no intention to apply for admission to trading on another market, different from the market where the shares issued by SNN is currently trading (BSE).

There are no entities that have a firm commitment to act as intermediaries on the secondary market and to provide liquidity through buying and selling quotations.

3.7 RESTRICTIONS

Not applicable.

3.8 EXPENSE OF THE SHARES ISSUANCE

The shareholder will be liable for payment of the relevant bank fees related to the corresponding subscription. According to the FSA Regulation no. 16/2014 regarding the FSA's revenues, the FSA commission is 0.1% of the value of the shares subscribed, but no more than RON 1,000,000.

The fee charged for securities registration with FSA is RON 500.

The Intermediary's commission is a flat fee in the amount of RON 35,000 VAT excluded payable from the Issuer's own funds.

Other potential expenses not yet determined, whose amount is estimated at a maximum RON 2,500 will be payable from the Issuer's own funds.

3.9 DILUTION

In case that all the shareholders will subscribe entirely the due number of shares, proportionally to their participation in the share capital of the Company on the Record Date, their participation in the share capital will remain unchanged.

In case that, within the Offering will subscribe only the majority shareholder, namely the Romanian State, represented by the Ministry of Energy, Small and Medium Enterprises and Business Environment, the entire number of shares that it can subscribe, the shareholders' participation quota in the share capital of the Issuer will be as follows:

- (i) The Romanian State, represented by the Ministry of Energy, Small and Medium Enterprises and Business Environment will increase its holding to 248,736,619 shares, representing a stake of 82.4959% from 82.4789% as it holds at the date of the Prospectus;
- (ii) Other shareholders – will reduce their stake from 17.5211% to 17.5041%.

3.10 ADDITIONAL INFORMATION

The Issuer states that the Prospectus does not contain reports, expert opinions or statements attributed to a person as an expert or coming from a third party. No information from the Prospectus has been checked or examined by the Company's auditors.

The issuer states that, to the best of its knowledge, the information taken from the financial statements have been accurately reproduced and that no facts/elements have been omitted that would make the information incorrect or misleading. The Issuer recommends shareholders to read this Prospectus only together with the Company's financial statements that will be available to investors starting with the date of the Prospectus' approval.

Both the Issuer, hereby duly represented by Ms Daniela Lulache, as Chief Executive Officer and the Intermediary, hereby duly represented by Mr. Iliescu Bogdan, as Executive Director of Corporate Finance undertake responsibility for the content of this Prospectus and acknowledge that the information above is accurate and reliable, and there are no omissions which may have a significant impact on the content of the Prospectus.

4 DEFINITIONS

In this Prospectus, unless otherwise provided for to the contrary, the following terms shall have the following meanings both in the singular and the plural:

AECL	means Atomic Energy of Canada Limited
ANRE	means the National Regulatory Agency in Energy Sector
Articles of Association	means the articles of association of S.N. N S.A., as subsequently amended and supplemented
Audited Consolidated	
Financial Statements	The Company's audited consolidated financial statements for the years ended 31 December 2014 and 2013
AVAS	means the Authority for State Assets Recovery
BoD	means the Board of Directors
BSE	means Bucharest Stock Exchange SA
Business Day	Any weekday (Saturdays, Sundays and public holidays in Romania excepted) when Depozitarul Central SA performs current operations and the commercial banks execute payments in RON in Romania
CAD	means the lawful currency of Canada
Capital Markets Law	means Law no. 297/2004 on capital markets, published in the Official Gazette no. 571 as of 29 June 2004, as subsequently amended
CCM Nuclearelectrica	means the collective employment agreement registered under the no. 240/24.06.2015
CGN	means China General Nuclear Power Corporation
CIM	means the standard individual employment contract
CNCAN	means the National Commission for the Control of Nuclear Activities
Collection Account	means the account designated to collect the amounts corresponding to subscriptions within the Offering, under IBAN no. RO 79 BRDE 427 SV00084064270 opened with BRD – Groupe Societe Generale SA
Companies Law	means Romanian Companies Law no. 31/1990, as subsequently amended
Consolidated Financial Statements	
Interim Revised	The Company's interim revised consolidated financial statements for the period ended 30 June 2015 and 30 June 2014
DICA	Dry Ask Storage
ECB	means European Central Bank
EGSM	means the Extraordinary General Shareholding Meeting
Energy Law	means Law no. 123/2012 on electricity and natural gas, as subsequently amended
EU	means the European Union

EUR	means the lawful currency of the European Union which adopted as its lawful currency in accordance with the EU legislation
Existing Shares	means the shares issued by S.N. Nuclearelectrica S.A., existing, subscribed and paid at the date of the Prospectus, respectively a number of 301,221,041 shares, each having a nominal value of RON 10/share
FMI	means the International Monetary Fund
FSA	means the Romanian Financial Supervisory Authority
GD	Guvernment Decision
GD no 365/1998	means the Government Decision no. 365 as of 2 July 1998 regarding the setting up of Compania Nationala de Electricitate S.A., Societatii Nationale Nuclearelectrica S.A. and Regiei Autonome pentru Activitati Nucleare through the reorganization of Regiei Autonome de Electricitate RENEL
GDP	means Gross Domestic Product
GEO	Government Emergency Ordinance
Group	means the group composed of Societatea Nationala Nuclearelectrica SA and Energonuclear SA
GSCI	means Studies, Research and Engineering Group
GSM	means the General Shareholding Meeting, including Extraordinary and Ordinary Shareholding Meeting
IAS	means International Accounting Standards
ICN	means the Institute for Nuclear Research
IFRS	means the International Financial Reporting Standards
IFRS UE	means the International Financial Reporting Standards approved by the European Union
Intermediary	means BRD – Groupe Societe Generale, a credit institution authorized to perform specific activities of the capital market by the National Securities Commission (ASF) under no. 255/06.08.2008, having its headquarters in 1-7 Ion Mihalache Blvd, 1 st District, Bucharest, registered with the Bucharest Trade Registry under no. J40/608/1991
Intermediation agreement	means the agreement concluded between the Issuer and the Intermediary for the intermediation of this Offering
IPP	means an independent power producer
The Issuer or Company or Societatea Nationala Nuclearelectrica SA or SNN or S.N. Nuclearelectrica SA	means Societatea Nationala Nuclearelectrica SA, a legal entity having its headquarters in Bucharest, 65 Polona St., 1st District, registered with the Trade Register under no. J40/7403/1998, Unique Registration Code RO 10874881, main line of business: production, transmission and distribution of electricity (NACE code 351), with a share capital subscribed and paid of RON 3,012,210,410, divided in 301,221,041 nominative, dematerialized shares, the nominal value of the share being RON 10/each.

JV	means a joint venture between Societatea Nationala Nuclearelectrica SA and a private investor
Law no 15/1990	means Law no. 15/1990 on the reorganization of public economic units as regies autonomies and commercial companies
Majority Shareholder	means the Ministry of Energy, Small and Medium Enterprises and Business Environment which holds 82.4789% of the Company's share capital
MCV	Cooperation and Verification Mechanism
MEIMMMA	Ministry of Energy, Small and Medium Enterprises and Business Environment
NACE	means the Classification of the National Economy Activities
NBR	means National Bank of Romania
Newly Issued Shares or	
New Shares	means the shares issued by S.N. Nuclearelectrica SA at the date of the approval of the Prospectus, within the Share Capital Increase, according to the Board of Directors dated 11.08.2015
NSC	means the National Securities Commission
Offering	means this offering related to the Share Capital Increase
OGSM	means the Ordinary General Shareholding Meeting
OPCOM	Romania's energy market operator
PC – OTC	means Centralized Market – Over the Counter; Centralized Market for Bilateral Contracts with Double Continuous Trading
PCCB – LE	means Centralized Market of Bilateral Contracts with Extended Bidding
PCCB – NC	means Centralized Market of Bilateral Contracts with Continuous Negotiation
PCSU	means Centralized Market for Universal Service
PCV	means the green certificates market
PMC	means Electricity Market for Large End Customers
Pre-emptive right	means the negotiable securities that incorporates the holder the right to subscribe with priority shares in a share capital increase, proportionally with the number of pre-emptive rights held at the subscription date, in a specific period of time
Prospectus	means this Offering Prospectus drafted in accordance with the provisions of art. 26a of the Regulation (EC) no 809/2004
Record Date	means 28.08.2015. The shareholders registered as of this date with the Shreholders register that are entitled to subscribe shares within the Offering
Regulation no 1/2006	means NSC Regulation no. 1/2006 on issuers and securities operations, as subsequently amended
Regulation no 809/2004	means EC Regulation no. 809/2004 implementing Directive 2003/71/EC as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and

	dissemination of advertisements
RENEL	means Regia Autonoma de Electricitate
Revocation Form	means the form filled in by the Issuer's shareholders in order to revoke the subscriptions made within the Offering, of which template is attached to the Prospectus
RON or lei	means the lawful currency of Romania
SEAP	means Electronic Procurement System
The Second Energy Package	means European Directives 2003/54/EC and 2009/72/EC of the European Parliament and Commission
SEN	means the National Energy System in Romania
Share Capital Increase	means the share capital increase operation approved by the Company's Board of Directors dated 11.08.2015, which means the issuance of a maximum number of 355,011 New, nominative, dematerialized shares, at a price of RON 10/share, equal to the nominal value (without share premium)
Shareholders Register	means the record of the Issuer's shareholders kept by an independent register company, Depozitarul Central SA, in accordance with the applicable legal provisions
Subscription Form	means the form filled in by the Issuer's shareholder in order to subscribe within the Offering, of which template is attached to this Prospectus
Subscription Period	between 19.10.2015 and 18.11.2015
Subscription Rate	is of 0.00117856, thus, each existing shareholder registered on the Record Date, may subscribe, for each held share, 0.00117856 New Issued Shares
USD	means the lawful currency of United States
WANO	means the World Association of Nuclear Operators