



NUCLEARELECTRICA

SN Nuclearelectrica SA

**Condensed Consolidated Interim Financial Statements
as at and for the six months period ended
30 June 2015**

Prepared in accordance with
**International Accounting Standard 34 – “Interim Financial Reporting”
adopted by the European Union**

SN Nuclearelectrica SA

Condensed Consolidated Statement of Financial Position as at 30 June 2015

(All amounts are in RON, unless stated otherwise)

	Note	30 June 2015 (reviewed)	31 December 2014 (audited)
Assets			
Non-current assets			
Property, plant and equipment	4	7,754,134,084	7,928,119,698
Intangible assets	5	87,113,621	94,579,281
Total non-current assets		7,841,247,705	8,022,698,979
Current assets			
Inventories	6	407,144,814	397,664,374
Trade and other receivables	7	152,054,572	240,317,426
Income tax receivable	12	8,611,875	-
Prepayments		12,678,335	18,546,205
Bank deposits		554,115,606	31,442,715
Cash and cash equivalents	8	672,829,256	1,158,859,684
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	9	3,207,713,153	3,013,330,303
Share premium	9	31,474,149	31,474,149
Prepaid share reserve	9	24,531,537	217,820,977
Revaluation reserve	9	1,770,574,705	1,770,574,705
Retained earnings	9	2,369,591,646	2,458,402,361
Equity attributable to owners of the Company		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	10	1,399,751,032	1,496,191,642
Deferred income		164,963,608	172,135,939
Deferred tax liability	12	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 liabilities	11	226,368,022	244,636,285
Current tax liability		6,256	4,507,170
Deferred income		21,298,324	24,909,505
Current portion of long term borrowings	10	205,672,396	204,680,260
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

The accompanying notes 1-21 are an integral part of these condensed consolidated interim financial statements

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SN Nuclearelectrica SA

Condensed Consolidated Income Statement for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

	Note	6 month period ended 30 June 2015 (reviewed)	6 month period ended 30 June 2014 (reviewed)
Revenues			
Sales of electricity	13	791,792,692	783,093,781
Electricity transmission revenues		52,656,530	51,554,378
Total revenues		844,449,222	834,648,159
Other income		13,958,719	19,299,146
Operating expenses			
Depreciation and amortisation		(233,841,384)	(222,458,983)
Personnel expenses		(140,021,570)	(141,895,946)
Cost of traded electricity		(19,224,269)	(10,920,689)
Repairs and maintenance		(80,206,840)	(75,594,275)
Electricity transmission expenses		(52,656,530)	(51,554,378)
Costs with spare parts		(13,913,715)	(21,375,664)
Cost of uranium fuel		(69,826,644)	(68,371,375)
Other operating expenses	14	(234,248,811)	(280,191,260)
Total operating expenses		(843,939,763)	(872,362,570)
Operating result		14,468,178	(18,415,265)
Finance costs		(66,616,953)	(36,142,758)
Finance income		61,200,531	78,517,816
Net finance (expense)/income	15	(5,416,422)	42,375,058
Profit before income tax		9,051,756	23,959,793
Income tax expense, net	12	(7,472,847)	(9,539,565)
Profit for the period		1,578,909	14,420,228
Profit for the period attributable to:			
Owners of the Company		1,578,909	14,420,228
Non-controlling interests		-	-
Profit for the period		1,578,909	14,420,228

The condensed consolidated interim financial statements on pages 1 to 29 were authorized for issue by the management on 11 August 2015 and were signed on its behalf by:

Daniela Lulache
Chief Executive Officer

Mihai Darie
Chief Financial Officer

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SN Nuclearelectrica SA

Condensed Consolidated Statement of Comprehensive Income for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

	<u>Note</u>	<u>6 month period ended 30 June 2015 (reviewed)</u>	<u>6 month period ended 30 June 2014 (reviewed)</u>
Profit for the period		1,578,909	14,420,228
Other comprehensive income		-	-
Total comprehensive income for the period		1,578,909	14,420,228
Attributable to:			
Owners of the Company		1,578,909	14,420,228
Non-controlling interests		-	-
Total comprehensive income for the period		1,578,909	14,420,228
Earnings per share			
Basic earnings per share (RON/share)	18	0.01	0.05
Diluted earnings per share (RON/share)	18	0.01	0.05

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SN Nuclearelectrica SA

Condensed Consolidated Statement of Changes in Equity for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

	Note	Share capital	Share premium	Prepaid share reserve	Revaluation reserve	Retained Earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2015 (audited)		3,013,330,303	31,474,149	217,820,977	1,770,574,705	2,458,402,361	7,491,602,495	-	7,491,602,495
Comprehensive income for the period									
<i>Profit for the period</i>		-	-	-	-	1,578,909	1,578,909	-	1,578,909
<i>Other comprehensive income</i>		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	1,578,909	1,578,909	-	1,578,909
Equity issue	9	194,382,850	-	(194,376,700)	-	-	6,150	-	6,150
Increase of prepaid reserve	9	-	-	1,087,260	-	-	1,087,260	-	1,087,260
Other elements		-	-	-	-	(23,312)	(23,312)	-	(23,312)
Dividends declared	9	-	-	-	-	(90,366,312)	(90,366,312)	-	(90,366,312)
Balance as at 30 June 2015 (reviewed)		3,207,713,153	31,474,149	24,531,537	1,770,574,705	2,369,591,646	7,403,885,190	-	7,403,885,190

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SN Nuclearelectrica SA

Condensed Consolidated Statement of Changes in Equity for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

Note	Share capital	Share premium	Prepaid share reserve	Revaluation reserve	Retained Earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2014 (audited)	3,013,330,303	31,474,149	215,930,237	1,770,574,705	2,667,598,242	7,698,907,636	22,474,502	7,721,382,138
Comprehensive income for the period								
<i>Profit for the period</i>	-	-	-	-	59,398,736	59,398,736	-	59,398,736
<i>The impact of changes in accounting policy</i>					(44,978,508)	(44,978,508)		(44,978,508)
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	14,420,228	14,420,228	-	14,420,228
Land for which property rights were obtained	-	-	1,925,505	-	-	1,925,505	-	1,925,505
Acquisition of non-controlling interest	-	-	-	-	4,526,916	4,526,916	(22,474,502)	(17,947,586)
Dividends declared	9	-	-	-	(340,957,135)	(340,957,135)	-	(340,957,135)
Balance as at 30 June 2014 (reviewed, restated)	3,013,330,303	31,474,149	217,855,742	1,770,574,705	2,345,588,251	7,378,823,150	-	7,378,823,150

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SN Nuclearelectrica SA

Condensed Consolidated Statement of Cash Flows for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

	6 months period ended 30 June 2015 (reviewed)	6 months period ended 30 June 2014 (reviewed)
Cash flows from operating activities		
Profit before income tax	9,051,756	23,959,793
Adjustments for:		
Depreciation and amortization	233,841,384	222,458,983
Impairment (gain)/loss on trade and other receivables	(1,350,489)	560,999
Provisions	3,108,821	846,299
Loss/(gain) from assets sold	31,330	(109,896)
Net finance expense/(income)	4,110,910	(42,506,529)
Changes in :		
Decrease in trade and other receivables	89,862,972	26,755,648
(Increase)/Decrease in inventories	(9,480,440)	1,140,480
Decrease in deferred income	(10,783,512)	(9,339,259)
Decrease/(increase) in prepayments	5,867,870	(9,018,978)
Increase in accounts payable and other liabilities	6,760,811	32,614,685
Cash generated from operating activities	331,021,413	247,362,225
Income tax paid	(24,709,947)	(62,339,490)
Interest received	10,493,856	23,435,805
Interest paid	(7,046,175)	(8,586,219)
Net cash from operating activities	309,759,147	199,872,321
Cash flows from investing activities		
Purchase of intangible assets	(3,996,895)	(5,703,263)
Purchase of property, plant, equipment	(75,569,934)	(96,703,379)
Proceeds from the sale of property, plant and equipment	158,434	213,293
(Increase)/ Decrease in bank deposits	(522,672,891)	673,082,990
Net cash (used)/from investing activities	(602,081,286)	570,889,641
Cash flow used in financing activities		
Repayments of long term borrowings	(105,667,973)	(107,991,088)
Dividends paid	(88,046,466)	(314,234,942)
Shares issue	6,150	-
Acquisition of non-controlling interest	-	(17,947,586)
Net cash used in financing activities	(193,708,289)	(440,173,616)
Net (decrease)/increase in cash and cash equivalents	(486,030,428)	330,588,346
Cash and cash equivalents as at 1 January (see Note 8)	1,158,859,684	751,247,612
Cash and cash equivalents as at 30 June (see Note 8)	672,829,256	1,081,835,958

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Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

1. REPORTING ENTITY

Societatea Nationala Nuclearelectrica SA (“the Company”) is a company established in Romania. The Company’s head office is located in Bucharest, 65 Polona Street.

The condensed consolidated interim financial statements of the Company as at and for the six months period ended 30 June 2015 comprise the financial statements of the Company and its subsidiary, Energonuclear SA, (named together, “the Group”). As at 30 June 2015 and 31 December 2014, the Company owns 100% of Energonuclear SA. The main operating location is in Cernavoda, in the eastern part of Romania, where the Company has two operating nuclear reactors (Nuclear Power Plant Unit 1 and Unit 2) and two nuclear reactors at inception stage (Nuclear Power Plant Units 3-4) and a nuclear reactor (Nuclear Power Plant Unit 5) for which the Shareholders have approved the change of destination. The construction of Units 3 and 4 was planned to be finalized by Energonuclear; currently, there is a new strategy for the Nuclear Power Plant Units 3 and 4 project continuation approved by the Extraordinary General Meeting of Shareholders on 22 August 2014 (for more information see Note 16). The two nuclear reactors are based on CANDU technology (Canada Deuterium Uranium reactor of PHWR type).

Unit 5 is impaired 100% as there are no plans to continue the construction. In March 2014, the shareholders of the Company have approved the use of Unit 5 for activities related to the operation of Units 1 and 2.

The main activity of the Company is the generation of electricity by operating Units 1 and 2. Energonuclear S.A. was established in March 2009, for the purpose of constructing and operating the two CANDU 6 reactors (Units 3 and 4) at Cernavoda, with an installed capacity of 720 MW each.

In accordance with the Electricity Law no. 123/2012, the electricity sector is regulated by the Romanian Energy Regulatory Authority (“ANRE”), an autonomous public institution. ANRE establishes through annual decisions the tariffs to be used by the Company for selling electricity on regulated market. During the six months period ended 30 June 2015, the Company sold approximately 21% of electricity on regulated market (35% in the six months period ended 30 June 2014). The total quantity of electricity sold during the six months period ended 30 June 2015 is of 5,179,858 MWh, as compared with 5,181,064 MWh, sold during the six months period ended 30 June 2014. The average price for electricity sales on the regulated market during the six months period ended 30 June 2015 is of RON/MWh 158.6 as compared with RON/MWh 145.8 during the six months period ended 30 June 2014, net of the tariff for transmission service paid to Transelectrica for using the electricity transmission network.

Starting with 4 November 2013, the Company's shares are traded on the Bucharest Stock Exchange, under the symbol SNN.

As described in Note 9, as at 30 June 2015 the shareholders of the Company are: the Romanian State through the Ministry of Energy, Small and Medium sized Enterprises and Business Environment (“MEIMMMA”) which holds 248,443,809 shares, representing 82.4789% of the share capital, Fondul Proprietatea S.A. which holds 27,408,381 shares, representing 9.0991% of the share capital and other shareholders which hold together 25,368,851 shares, representing 8.4220% of the share capital.

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2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant for understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

These condensed consolidated interim financial statements were authorized for issue on 11 August 2015.

b) Use of estimates and judgements

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions that have a significant risk of resulting in a material adjustment within the next financial years are included in Note 16 (continuance of the Energonuclear activity).

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2014.

New standards and interpretations effective in annual periods beginning 1 January 2015

The Company applied in preparing these condensed consolidated interim financial statements *IFRIC 21 Levies*, effective for annual periods beginning on or after 17 June 2014 - according to *IFRS-EU*, applicable, as well, within the interim reporting.

IFRIC 21 is applicable retrospectively to all levies imposed by governmental authorities in accordance with legislation, other than disbursements subject to other standards (ie: *IAS 12 Income Taxes*), fines and other penalties for infringement of the legislation. The nature and effects of this implementation for the Company are described below:

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Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

i. Trade payables and other liabilities

Following the implementation of IFRIC 21, the Company amended the accounting policies on when to recognize the debt on special construction tax and local fees and taxes.

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

IFRIC 21 specifies that this interpretation does not address the recording method of the counterparty of the liability (asset or expense, respectively) but indicates that an asset is recognized if a liability was paid in advance and there is no current payment obligation.

The Company believes that the timing of liability recognition is determined by the existence within its patrimony of the assets that constitutes the tax base, and, consequently, the liability regarding special construction tax and local fees and taxes is recognized in full on 1 January in counterparty with the related expenses. The amounts paid before the deadline specified by the related legislation are recognized as prepayments made in advance and reversed as expenses at the payment terms as they were established by the legislation.

Where necessary, comparative figures have been amended/restated in order to comply with presentation changes implemented in the current year. The following table summarizes the effect of these changes upon the simplified consolidated profit and loss account and the simplified consolidated situation of cash flows 30 June 2014.

The simplified consolidated profit and loss account

	6 month period ended 30 June 2014 (previously reported)	6 month period ended 30 June 2014 (restated)	Effect of changes in accounting policy
Operating expenses			
Other operating expenses	(235,212,752)	(280,191,260)	(44,978,508)
Profit for the period	59,398,736	14,420,228	(44,978,508)

The simplified consolidated situation of cash flows

	6 month period ended 30 June 2014 (previously reported)	6 month period ended 30 June 2014 (restated)	Effect of changes in accounting policy
Cash flows from operating activities			
Profit before income tax	68,938,301	23,959,793	(44,978,508)
Adjustments:	181,249,856	181,249,856	-
Changes in:			
Decrease in trade and other receivables	26,755,648	26,755,648	-
(Increase)/Decrease in inventories	1,140,480	1,140,480	-

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SN Nuclearelectrica SA

Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

Increase in deferred income	(9,339,259)	(9,339,259)	-
Decrease/(Increase) in prepayments	(9,298,201)	(9,018,978)	279,223
Decrease in accounts payable and other liabilities	(12,084,600)	32,614,685	44,699,285
Cash flow generated from operating activities	247,362,225	247,362,225	-
Net cash from operating activities	199,872,321	199,872,321	-
Net cash from investing activities	570,889,641	570,889,641	-
Net cash used in financing activities	(440,173,616)	(440,173,616)	-
Net increase in cash and cash equivalents	330,588,346	330,588,346	-
Cash and cash equivalents as at 1 January	751,247,612	751,247,612	-
Cash and cash equivalents at the end of the period	1,081,835,958	1,081,835,958	-

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Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

4. PROPERTY, PLANT, AND EQUIPMENT

	Land	Nuclear power plants	Machinery, equipment and other assets	Impairment of assets in course of construction	TOTAL
Cost					
Balance as at 1 January 2014 (audited)	26,798,388	5,877,495,178	1,621,356,843	1,305,453,501	8,831,103,910
Additions	1,890,740	-	6,288,291	156,335,273	164,514,304
Additions in Units 3&4	-	-	-	3,997,501	3,997,501
Transfers	-	194,699,813	121,209,147	(315,908,960)	-
Disposals	-	-	(3,887,640)	(25,785,183)	(29,672,823)
Balance as at 31 December 2014 (audited)	28,689,128	6,072,194,991	1,744,966,641	1,124,092,132	8,969,942,892
Balance as at 1 January 2015 (audited)	28,689,128	6,072,194,991	1,744,966,641	1,124,092,132	8,969,942,892
Additions	1,054,507	-	1,628,123	44,551,146	47,233,776
Additions in Units 3&4	-	-	-	1,344,202	1,344,202
Transfers	-	1,534,179	109,127,680	(110,661,859)	-
Disposals	-	-	(1,090,440)	-	(1,090,440)
Balance as at 30 June 2015 (reviewed)	29,743,635	6,073,729,170	1,854,632,004	1,059,325,621	9,017,430,430
Depreciation and impairment losses					
Balance as at 1 January 2013 (audited)	155,515	-	473,756,995	164,524,102	638,436,612
Depreciation charge	77,757	334,518,634	97,784,533	-	432,380,924
Accumulated depreciation of disposals	-	-	(3,287,889)	-	(3,287,889)
Impairment of assets in course of construction	-	-	18,714	(25,725,167)	(25,706,453)
Balance as at 31 December 2014 (audited)	233,272	334,518,634	568,272,353	138,798,935	1,041,823,194
Balance as at 1 January 2015 (audited)	233,272	334,518,634	568,272,353	138,798,935	1,041,823,194
Depreciation charge	38,879	169,456,844	52,883,107	-	222,378,830
Accumulated depreciation of disposals	-	-	(905,678)	-	(905,678)
Balance as at 30 June 2015 (reviewed)	272,151	503,975,478	620,249,782	138,798,935	1,263,296,346
Carrying amounts					
Balance at 1 January 2014 (audited)	26,642,873	5,877,495,178	1,147,599,848	1,140,929,399	8,192,667,298
Balance at 31 December 2014 (audited)	28,455,856	5,737,676,357	1,176,694,288	985,293,197	7,928,119,698
Balance at 30 June 2015 (reviewed)	29,471,484	5,569,753,692	1,234,382,222	920,526,686	7,754,134,084

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Notes to the Condensed Consolidated Interim Financial Statements for the six months period ended 30 June 2015

(All amounts are in RON, unless stated otherwise)

The machinery, equipment and other assets contain, mainly, the first load of heavy water used for units 1 and 2, with a net book value as at 30 June 2015 of RON 414,215,904 (31 December 2014 : RON 424,243,208) and buildings with a net book value as at 30 June 2015 of RON 321,928,941 (31 December 2014: RON 323,012,331).

As at 30 June 2015, the carrying amount of Units 3 and 4, recognized as “Assets under construction”, is of RON 273,960,000 (31 December 2014: RON 273,960,000). Prior to 1991, the units 1, 2, 3, 4 and 5 were considered as a single project and therefore construction costs incurred were not allocated individually to each unit. Subsequently, the Group made the allocation of the construction costs to Nuclear Power Plant Units 3 and 4.

The carrying amount of the heavy water related to Units 3 and 4 is RON 158,470,146 (31 December 2014: RON 158,470,146), representing approximately 75 tones. These items are presented under the caption “Assets under construction”.

The main investments made by the Group during the six months period ended 30 June 2015 for the projects under construction related to Units 1 and 2 includes:

- Construction of loading and storage facilities for the nuclear fuel used in amount of RON 3,675,281 (31 December 2014: RON 26,115,253);
- Refurbishment and extension of physical protection system at Cernavoda NPP in amount of RON 4,117,189 (31 December 2014: RON 30,157,495);
- Improvement of the nuclear safety system in amount of RON 3,371,632 (31 December 2014: RON 12,170,196);
- Detritiation installation D2O in amount of RON 2,737,255 (31 December 2014: RON 16,842,183);
- Replacement of excitation system Generrex U1 in amount of RON 18,481,740 (31 December 2014: RON 7,091,987).

The main investment put into function during the six months period ended 30 June 2015 refers mainly to the refurbishment and extension of physical protection system at CNE Cernavoda in amount of RON 51,566,745 si la modernization of physical protection at FCN Pitesti in amount of RON 34,283,550.

As at 30 iunie 2015, the carrying amount of assets under construction which refers to units 3 and 4 is RON 653,845,118 RON (31 December 2014: RON 653,360,812), including investments made by Energonuclear (see Note 16). At 30 June 2015, the remaining difference up to RON 920,526,687 (31 December 2014: RON 985,293,197) represents assets under construction related to units 1 and 2, such as construction of loading and storage facilities for the used nuclear fuel (DICA) in amount of RON 24,437,317 (31 December 2014: RON 20,762,036), the D2O detritiation installation in amount of RON 63,187,670 (31 December 2014: RON 60,452,066), the improvement of the nuclear safety system in amount of RON 19,260,432 (31 Decemnber 2014: RON 15,888,801) advances to suppliers of property, plant and equipment in amount of RON 13,678,394 (31 December 2014: RON 19,660,501).

As at 30 June 2015, the Group acquired fixed assets on credit from suppliers in amount of RON 14,887,598 (31 December 2014: RON 50,498,323).

Decommissioning of nuclear power plants

The nuclear power Unit 1 is scheduled to operate until 2026 and Unit 2 until 2037. The Group did not record provisions for decommissioning of these two units, as it is not responsible for the decommissioning. According to Government decision no. 1080/5 September 2007, the Nuclear Agency and Radioactive Waste (“ANDR”) is responsible for

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collecting the contributions paid by the Group for the remaining useful life of these units and assumes the responsibility for the management of the entire decommissioning process at the end of the useful lives of the units, and also for the permanent storage of the resulting waste (see Note 14). The Group's expense regarding the contributions to ANDR for the six months period ended 30 June 2015 is of RON 44,576,865 (6 month period ended 30 June 2014: RON 44,609,535).

Assets pledged as security

As at 30 June 2015 and 31 December 2014 the Group has no pledged or mortgaged assets.

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5. INTANGIBLE ASSETS

	Licences and software	Power Plant Software	Intangible Assets in Progress	TOTAL
Cost				
Balance as at 1 January 2014 (audited)	56,170,606	85,766,332	68,036,664	209,973,601
Additions	2,199,056	55,428,802	11,957,696	69,585,554
Transfers	-	-	-	-
Disposals	(500,628)	(9,645)	(53,666,194)	(54,176,467)
Balance as at 31 December 2014 (audited)	57,869,034	141,185,489	26,328,165	225,382,687
Balance as at 1 January 2015 (audited)	57,869,034	141,185,489	26,328,165	225,382,687
Additions	2,072,367	1,924,528	-	3,996,895
Transfers	50,000	26,278,165	(26,328,165)	-
Disposals	-	-	-	-
Balance as at 30 June 2015 (reviewed)	59,991,401	169,388,182	-	229,379,582
Accumulated amortisation				
Balance as at 1 January 2014 (audited)	48,484,094	63,628,381	-	112,112,474
Amortisation expense	6,821,876	12,376,771	-	19,198,647
Amortisation related to disposals	(498,070)	(9,645)	-	(507,714)
Balance as at 31 December 2014 (audited)	54,807,900	75,995,507	-	130,803,407
Balance as at 1 January 2015 (audited)	54,807,900	75,995,507	-	130,803,407
Amortisation expense	2,337,670	9,124,884	-	11,462,554
Amortisation related to disposals	-	-	-	-
Balance as at 30 June 2015 (reviewed)	57,145,570	85,120,391	-	142,265,961
Carrying amounts				
Balance as at 1 January 2014 (audited)	7,686,512	22,137,951	68,036,665	97,861,128
Balance as at 31 December 2014 (audited)	3,061,134	65,189,982	26,328,165	94,579,281
Balance as at 30 June 2015 (reviewed)	2,845,831	84,267,791	-	87,113,621

As per OMFP 1286/2012 amended by OMFP 150/2015, starting with the financial statements related to the financial year 2015, the balance of the account "Intangible Assets in Progress" amounting to RON 26,368,312 is transferred on the account "Other intangible assets". Thus, the intangible assets representing mainly integrated management software systems amounting to RON 26,318,312 on 30 June 2015 (31 December 2014: RON 26,262,901) were included in the Software category for the nuclear plant.

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*(All amounts are in RON, unless stated otherwise)***6. INVENTORIES**

As at 30 June 2015 and 31 December 2014 inventories are as follows:

	30 June 2015	31 December 2014
	(reviewed)	(reviewed)
Spare parts	214,344,234	209,795,452
Materials and supplies	54,906,797	56,023,769
Nuclear fuel	97,842,694	86,684,880
Uranium	36,972,755	36,379,148
Other inventories	3,078,334	8,781,125
TOTAL	407,144,814	397,664,374

7. TRADE AND OTHER RECEIVABLES

As at 30 June 2015 and 31 December 2014 the trade and other receivables are as follows:

	30 June 2015	31 December 2014
	(reviewed)	(audited)
Trade receivables	102,281,516	176,034,614
Trade receivables allowance	(12,781,960)	(14,132,449)
Other receivables	15,814,315	33,674,604
Other receivables allowance	(3,254,200)	(3,254,200)
Taxes	49,994,901	47,994,857
Total	152,054,572	240,317,426

As at 30 June 2015, significant trade receivables are from: Electrica Furnizare SA – RON 25,945,402 (31 December 2014: RON 35,612,769), Enel Energie Muntenia SA – RON 14,217,553 (31 December 2014: RON 35,297,640), Enel Energie SA – RON 9,504,723 (31 December 2014: RON 26,110,384). The sales made during the six months period ended 30 June 2015 to Electrica Furnizare SA represented around 15% (21%: 30 June 2014) and to GEN-I 16% (0% : 30 June 2014) of the Group's total sales of electricity.

Hidroelectrica SA paid until the date of these condensed consolidated interim financial statements all the installments due according to the reschedule agreement, so that the Group cashed during the 6 month period ended 30 June 2015 receivables amounting to RON 17,523,388 from 31 December 2014.

The Group's exposure to credit risk and allowance for impairment of trade and other receivables are disclosed in Note 19.

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*(All amounts are in RON, unless stated otherwise)***8. CASH AND CASH EQUIVALENTS**

As at 30 June 2015 and 31 December 2014, the cash and cash equivalents are as follows:

	30 June 2015	31 December 2014
	(reviewed)	(audited)
Cash at bank in RON	669,872,702	1,155,130,855
Cash at bank in foreign currency	2,956,554	3,728,829
Total cash and cash equivalents	672,829,256	1,158,859,684

As at 30 June 2015 the “Bank Deposit” heading includes an amount of RON 17,009,491 (31 December 2014: RON 31,442,715) related to the bank guarantee letters issued by various banks on behalf of the Company for which guarantee in cash was submitted, with a maturity up to an year.

9. EQUITY*Share Capital*

The Company was established through separation from the former RENEL. The share capital represents State’s contribution at the formation of the Company on 30 June 1998 (restated for inflation to 31 December 2003) plus subsequent contributions.

As at 30 June 2015 and 31 December 2014, the share capital includes the effects of the withdrawals registered in the previous years required by the application of IAS 29 “Financial Reporting in Hyperinflationary Economies”. The reconciliation of the share capital is as follows:

	30 June 2015	31 December 2014
	(reviewed)	(audited)
Statutory share capital (nominal value)	3,012,210,410	2,817,827,560
Restatement difference in accordance with IAS 29	195,502,743	195,502,743
Share Capital (restated amount)	3,207,713,153	3,013,330,303

By the decision of the Extraordinary General Meeting of Shareholders no. 8 / 06.10.2014 was approved the Company's share capital increase with a cash contribution by issuing new, nominative, dematerialized shares, at a price of RON / share 10, equal to the nominal value (excluding share premium). The sale of shares took place between January 05th 2015 – February 4th 2015, according to the Prospectus approved by the Board of Directors of the Company by decision no. 174 / December 02nd 2014 and the Financial Supervisory Authority (“ASF”) by decision no. 2246 / December 23rd 2014.

On February 2nd 2015, the Board of Directors of the Company acknowledged and approved the following: a total of 19,438,285 shares with a value of RON 194,382,850 were subscribed, out of which 19,437,670 shares with a nominal value of RON 194,376,700, subscribed by majority shareholder - the Ministry of Energy, Small and Medium Sized Enterprises and Business Environment and 615 shares with a nominal value of RON 6,150 were subscribed within the exercise of preference right by the other shareholders of the Company, holding the capacity of Shareholders on the Registration Date (October 22nd 2014), in order to maintain the quota of participation in the share capital. The share capital value resulting from these operations is of RON 3,012,210,410, fully subscribed and paid.

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On 31 December 2014, the amount of statutory capital fully subscribed and paid RON 2,817,827,560, consisting of 281,782,756 ordinary shares each with a nominal value of RON 10.

The holders of ordinary shares are entitled to receive dividends, as they are reported from time to time, and the right to one vote per share in the General Meeting of Company Shareholders.

The shareholders' structure as at 30 June 2015 and 31 December 2014 was as follows:

Actionari	30 June 2015		31 December 2014	
	Number of shares	% of the share capital	Number of shares	% of the share capital
The Romanian State through the Ministry of Energy, Small and Medium Sized Enterprises and Business Environment	248,443,809	82.4789%	229,006,139	81.2705%
Fondul Proprietatea SA	27,408,381	9.0991%	27,408,381	9.7270%
Other investors	25,368,851	8.4220%	25,368,236	9.0025%
TOTAL	301,221,041	100%	281,782,756	100%

Share premium

In November 2013, the Company issued 28,100,395 shares on the Bucharest Stock Exchange through an initial public offering and through the right of preference exercised by the shareholder Fondul Proprietatea S.A. The amount collected of RON 312,478,099 was made of share capital increase of RON 281,003,950 and a share premium of RON 31,474,149.

Prepaid Share Reserve

The prepaid share reserve is in amount of RON 24,531,537 as at 30 June 2015 (31 December 2014: RON 217,820,977) and represents public utility facilities from Cernavoda NPP (RON 5,439,321 as at 30 June 2015 and 31 December 2014), budget allocations related to the period 2007-2011 for construction of the Training and Recreation Centre for Youth and Children in Cernavoda (RON 16,114,216 as at 30 June 2015 and 31 December 2014), the equivalent of a land in Bd. Gh. Magheru received from the Ministry of Economy in the amount of RON 2,945,247 (31 December 2014: RON 1,890,740) as well as the equivalent value of a land from the Saligny town, County of Constanta amounting to RON 32,753 (31 December 2014: RON 0). In March 2015, the land value of Bd. Gh. Magheru was increased by RON 1,054,507 following the expertise report of an independent valuer. The Extraordinary General Meeting of Shareholders authorized on 29 April 2015 the Board of Directors to increase, during the course of one year, the share capital by issuing new shares representing the contribution in kind of the Romanian State by the reassessed value of the two lands mentioned above and by the cash contribution of the other shareholders within the exercise of the preference right.

On 31 March 2015, the contribution of the Romanian state in the amount of RON 194,376,700, representing budgetary allocations related to the period 2006-2009 for the execution of Unit 2 and for the works completion to the Units 3-5 from Cernavoda NPP, was transferred in to share capital from the position Prepaid Reserve.

On 30 June 2015, the number of new shares which may be issued for the prepaid reserves is 297,800 (31 December 2014: 19,626,744).

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Revaluation Reserves

On 30 June 2015, respectively 31 December 2014, the revaluation reserve is in amount of RON 1,770,574,705. Starting from April 1st 2009 the Group registered a deferred tax liability for the revaluation reserve.

Retained Earnings

Retained earnings represent the accumulated results of the Group. The retained earnings are distributable based on the annual financial statements prepared in accordance with the Order of the Minister of Public Finance no. 1286/2012 and related amendments, applicable to companies of whose securities are allowed for trading on a regulated market.

During the six months period ended on 30 June 2015, the Group has declared dividends in amount of RON 90,366,312 (30 June 2014: RON 340,957,135). The gross unpaid dividends on 30 June 2015 are in amount of RON 2,555,690 (30 June 2014: RON 26,722,193).

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*(All amounts are in RON, unless stated otherwise)***10. BORROWINGS**

The repayment of borrowings during the six months period ended on 30 June 2015 was as follows:

	Currency	Interest rate	Carrying amount	Year of maturity
Balance at 1 January 2015			1,751,972,263	
New issues				
Repayments, out of which:			(105,667,974)	
Societe Generale - ALSTOM BC	EUR	EURIBOR 6M + 0,450%	(2,366,398)	2017
Societe Generale - ANSALDO BC	EUR	EURIBOR 6M + 0,450%/0,7%	(17,066,843)	2022
Societe Generale - AECL BC	CAD	CDOR 6M + 0,375%	(35,517,849)	2022
Societe Generale - NEXANS BC	EUR	EURIBOR 6M + 0,450%	(2,972,628)	2017
Societe Generale - GENERAL ELECTRIC	USD	LIBOR+0,070%	(5,444,656)	2017
EURATOM	EUR	EURIBOR 6M + 0,08%	(42,299,600)	2022
Exchange rate differences			6,916,366	
Balance at 30 June 2015			1,653,220,655	

On 30 June 2015 and 31 December 2014, the long term borrowings from credit institutions were as follows:

	30 June 2015	31 December 2014
	(reviewed)	(audited)
Societe Generale - ALSTOM BC	9,538,085	11,945,526
Societe Generale - ANSALDO BC	240,765,682	258,459,148
Societe Generale - AECL BC	493,563,260	521,786,542
Societe Generale - NEXANS BC	11,981,575	15,005,761
Societe Generale - GENERAL ELECTRIC	29,513,053	32,667,936
EURATOM	867,859,000	912,107,350
Total long term loans from credit institutions	1,653,220,655	1,751,972,263
Less: Current portion of the long term loans	(212,465,686)	(210,862,486)
Less: balance of the commitment and insurance fees (long term)	(41,003,937)	(44,918,135)
Total long term loans, net of short term portion	1,399,751,032	1,496,191,642

On 30 June 2015, the financial indicators related to the loan granted by EURATOM were fulfilled.

On 30 June 2015 and 31 December 2014, the short term borrowings are as follows:

	30 June 2015	31 December 2014
	(reviewed)	(audited)
Current portion of the long term borrowings	212,465,686	210,862,486
Interests related to the long term borrowings	1,035,106	1,646,170
Commitment and insurance fees on short term	(7,828,396)	(7,828,396)
Total short term borrowings	205,672,396	204,680,260

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*(All amounts are in RON, unless stated otherwise)***11. ACCOUNTS PAYABLE AND OTHER LIABILITIES**

On 30 June 2015 and on 31 December 2014, the trade and other liabilities are as follows:

	<u>30 June 2015</u> <u>(reviewed)</u>	<u>31 December 2014</u> <u>(audited)</u>
Property, land and equipment suppliers	14,887,598	50,498,323
Suppliers	127,565,822	137,861,625
Employee benefits	7,743,234	13,383,266
Payables to State	50,531,764	22,829,373
Dividends payable	2,555,690	457,076
Other payables	23,083,914	19,606,622
Total	<u>226,368,022</u>	<u>244,636,285</u>

On 30 June 2015, the main outstanding suppliers are: General Electric – RON 20,010,266 (31 December 2014: RON 16,285,814), CN Transelectrica SA – RON 13,546,420 (31 December 2014: RON 34,776,622), Elcomex I.E.A – RON 13,182,775 (31 December 2014: RON 9,330,408), CNU Sucursala Feldioara – RON 11,609,681 (31 December 2014: RON 901,692) and Apele Romane – RON 10,990,853 (31 December 2014: RON 6,332,098).

12. INCOME TAX

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

	<u>6 months period concluded on</u> <u>30 June 2015 (reviewed)</u>	<u>6 months period concluded on</u> <u>30 June 2014 (unaudited)</u>
Current tax expense	11,597,158	16,308,980
Deferred tax release	(4,124,311)	(6,769,415)
Total	<u>7,472,847</u>	<u>9,539,565</u>

The Company has paid for the first quarter an income tax higher than the one resulted for the entire six months period ended on 30 June 2015, due to the profit recorded during the first quarter. Thus, on 30 June 2015, the income tax receivable is RON 8,611,875 (RON 11,025,791 on 30 June 2014).

13. SALES OF ELECTRICITY*(i) Revenues from electricity sales*

	<u>6 month period ended</u> <u>30 June 2015</u> <u>(reviewed)</u>	<u>6 month period ended</u> <u>30 June 2014</u> <u>(reviewed)</u>
Sales of electricity on regulated market	170,293,560	265,581,253
Sales of electricity on free market	620,141,824	517,277,093
Sales of thermal energy	1,345,454	-
Revenues from sales of green certificates	11,854	235,435
Total	<u>791,792,692</u>	<u>783,093,781</u>

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*(All amounts are in RON, unless stated otherwise)***(ii) Energy Quantity Sold**

	6 month period ended 30 June 2015 (reviewed)	6 month period ended 30 June 2014 (reviewed)
Quantity of energy sold on regulated market (MWh)	1,073,470	1,820,920
Quantity of energy sold on free market (MWh)	4,106,388	3,360,144
Total	5,179,858	5,181,064

The Company is a participant to the balancing market, but also a Responsible Party for balancing according to the conventions concluded with the transmission and system operator Transelectrica S.A.. The presented quantity of energy sold does not include the quantity of energy related to the revenues from positive imbalances capitalized on the Balancing Market, in amount of 25,132 MWh for the period of six months ended on 30 June 2015 (15,631 Mwh in the period of six months concluded on 30 June 2014).

The company produces thermal energy production by the exploitation of the energy capacities related to the units of electricity and thermal energy production consisting in two heat exchangers with a total heating power of 40 Gcal/h and 46,51 MW. The company delivers thermal energy to the local company of thermal energy distribution SC Utilitati Publice SA Cernavoda, as well as to some end consumers in Cernavoda municipality – economic agents, social-cultural institutions. The thermal energy sales in the first quarter of 2015 are in the amount of RON 1,345,454 (30 June 2014: RON 1,265,488) and in the period of 3 months ended on 30 June 2014: RON 291,239, amounts which were included in the position Sales of Energy on the free market).

In accordance with the Electricity Law no. 123/2012, the electricity sector is regulated by the National Agency for Electricity Sector Regulation (ANRE), an autonomous public institution. ANRE establishes the prices to be used by the Company for selling electricity on the regulated market and the related quantities.

14. OTHER OPERATING EXPENSES

	6 month period ended 30 June 2015 (reviewed)	6 month period ended 30 June 2014 (reviewed)
Third party services	43,284,209	55,532,485
Expenses with ANDR	44,576,865	44,609,535
Energy and water	37,041,115	35,909,657
Fuels, lubricants and other consumables	19,563,627	21,611,036
Insurance	5,647,669	6,008,640
Transportation and telecommunication	2,824,559	3,946,729
Tax on special constructions	61,567,609	89,398,570
Other operating expenses	19,743,158	23,174,608
Total	234,248,811	280,191,260

“Other operating expenses” consist mainly of other taxes and provisions expenses.

Starting with 2007, following the Government Decision no. 1080/5 September 2007 regarding the safe management of the radioactive waste and the decommissioning of the nuclear installations, the Company is required to make two types of contributions to the ANDR:

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- Contribution for the decommissioning of each nuclear unit amounting to EUR/MWh 0.6 of electricity produced and injected in the system;
- Contribution for the permanent storage of radioactive waste of EUR/MWh 1.4 of electricity produced and injected in the system.

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

Starting with 2014, the companies must declare and pay the tax on special constructions. The value of this tax is 1% (1.5% in 2014) of the value of the constructions in balance on 31 December of the preceding year. The nuclear-electric power plants are included in the special constructions category. The tax on special constructions due by the Company for the financial year concluded on 31 December 2015 is in amount of RON 61,567,609 (31 December 2014: RON 89,398,570). In accordance with IFRIC 21 (see the Note 3), the Company fully recognized this liability and the related expense in the first quarter of the year 2015 and respectively 2014.

15. FINANCE INCOME AND COSTS

	6 month period ended 30 June 2015 (reviewed)	6 month period ended 30 June 2014 (reviewed)
Interest income	10,743,486	17,931,895
Foreign exchange gains	50,457,045	60,585,921
Finance income	61,200,531	78,517,816
Foreign exchange expenses	(56,267,643)	(23,745,394)
Interest expenses	(10,349,310)	(12,397,364)
Total finance costs	(66,616,953)	(36,142,758)
Net finance (expense)/income	(5,416,422)	42,375,058

16. COMPANY STRUCTURE

As at 30 June 2015 and 31 December 2014, the Company holds 100% of the share capital of Energonuclear SA. The value of participation on 30 June 2015 and 31 December 2014 is of RON 141,666,101.

Continuance of Energonuclear's activity

On 30 June 2015 there is uncertainty about the Energonuclear capacity to continue its activity. The future operations of Energonuclear in relation to the units 3 and 4 depend on the successful completion of the selection process for an investor, according to the Continuation Strategy of the Project Units 3 and 4 CNE Cernavoda, approved in July 2014 by the Romanian Government. The strategy provides the creation of a joint venture within the meaning of the Article 50 of the Law no. 137/2002, between SNN and a private investor, selected, respectively a Project Company ("Joint Venture" or "JV"). Subsequently to the initial phase of JV establishment, capitalization under the law of the investment performed by SNN in Energonuclear will be considered, aiming the primary objective that SNN holds a participation in JV, besides the initial contributions, which to ensure the protection of the SNN's investments in Energonuclear.

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Also, the approved Strategy for the Project continuation considers the capitalization of the existing assets, having a considerable value, found in the public patrimony – heavy water and uranium octoxide – and respectively in the Company's patrimony - land, buildings, equipments, etc. – and of Energonuclear, according to law. The heavy water inventory and the first load of nuclear fuel will be provided from Romania by the Romanian state and SNN, according to the Strategy.

Following the procedure for investors selection, on September 9, 2014, the company China General Nuclear Power Corporation ("CGN") has been appointed as Selected Investor for the development of the Project for the Units 3 and 4 Cernavoda NPP. On October 17, 2014, a Joint Letter the Intent for the completion of the project was signed. Subsequently, the Romanian party sent to CGN a draft of the Memorandum of Understanding ("MoU") - a document that aims to define and agree on the principles for negotiating the Investment Agreement. Compared to the draft of MoU, CGN has sent amendment proposals. In December 2014, a wide process of consultation with the Romanian authorities / institutions was initiated in order to establish a common view regarding the issues raised by CGN. During March 2015, the Romanian party's position was submitted, as defined in the Strategy to CGN, and thereafter the negotiations were completed on MoU, the latter following to be submitted for approval to the Interministerial Commission, and respectively to the General Meeting of SNN Shareholders. Further details are presented in the Note 21 explaining the subsequent events.

Considering the above mentioned issues and the state of negotiations with the Selected Investor, the Company's management is confident that the project developed by Energonuclear will continue in the future and there will be a future demand for the electricity to be produced by Units 3 and 4. Thus, the Company's management considers that the investment in Energonuclear S.A. will be recovered, according to the Strategy.

17. RELATED PARTIES TRANSACTIONS

i) Transactions with State-owned companies

The Company operates in an economic environment dominated by companies owned or controlled by the Romanian State through its government authorities and agencies, collectively called state-owned companies.

The Company had significant transactions with other companies owned or controlled by the state, including: electricity sales (Electrica Furnizare, OPCOM), acquisition of electricity transmission and balancing services (CN Transelectrica SA) and acquisition of uranium (Compania Nationala a Uraniului).

Significant transactions performed with the related parties of the Company in the six months periods ended on 30 June 2015 and respectively 30 June 2014 as well as the balances on 30 June 2015 and 31 December 2014 consist in the following:

	Sales for the 6 month period ended on		Receivables as at	
	30 June 2015	30 June 2014	30 June 2015	31 December 2014
OPCOM	121,402,604	120,085,510	219,257	289,536
Electrica Furnizare	4,067,952	169,159,165	25,945,403	36,964,225
Utilitati publice Cernavoda	1,128,338	1,131,530	567,337	560,921
Transelectrica	369,724	641,868	30,125	114,674
Hidroelectrica	-	-	-	17,649,031
Total	126,968,618	291,018,073	26,762,122	55,578,387

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	Purchases for the 6 month period ended on		Payables as at	
	30 June 2015	30 June 2014	30 June 2015	31 December 2014
CN Transelectrica SA	65,942,018	60,110,402	13,546,420	34,787,974
Compania Nationala a Uraniului	47,861,697	56,589,640	11,609,681	901,692
ANDR	44,576,865	44,609,535	7,062,011	10,169,810
Apele Romane Bucuresti	28,478,301	27,219,299	4,830,532	6,332,098
OPCOM	6,307,154	2,374,325	717,123	199,299
Apele Romane Constanta	5,291,919	5,049,388	765,487	1,283,797
ICSI RAMNICU VALCEA	4,667,430	6,799,171	279,000	6,172,544
CNCAN	4,500,000	4,950,000	-	-
RATEN - ICN Pitesti	2.768.987	2.337.682	624.242	1.812.977
Electrica Furnizare	64.603	-	-	5.343
Total	210.458.974	210.039.442	39.434.496	61.665.534

ii) *Compensation to key management personnel*

The Group management is made of:

- members of the Board of Directors of the Company and of the Energonuclear's branch, who have contracts of mandate concluded with the Company;
- managers with contracts of mandate within the Group;
- other managers within the Group which have individual employment contracts concluded, as provided in the collective labour contracts, as applicable.

The members of the Board of Directors have contracts of administration (mandate) concluded with the Company, their remuneration being approved by the General Meeting of Shareholders. The managers with contracts of mandate are remunerated based on the contractual provisions within the general limits approved by the GMS.

	6 months period ended on 30 June 2015 (reviewed)	6 months period ended on 30 June 2014 (reviewed)
Short-term benefits	2,608,635	2,412,740
	2,608,635	2,412,740

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*(All amounts are in RON, unless stated otherwise)***18. EARNINGS PER SHARE**

On 30 June 2015 and on 30 June 2014, the earnings per share are as follows:

(i) <i>Basic earnings per share</i>	6 months period ended on 30 June 2015 (reviewed)	6 months period ended on 30 June 2014 (reviewed)
Net profit for the period attributable to the Company's shareholders	1,578,909	14,420,228
Number of ordinary shares at the beginning of the period	281,782,756	281,782,756
Number of ordinary shares during the period (see the Note 9)	19,438,285	-
Weighted average number of ordinary shares at the end of the period	294,741,613	281,782,756
Basic earnings per share (RON/share)	0.01	0.05
(ii) <i>Diluted earnings per share</i>	6 months period ended on 30 June 2015 (reviewed)	6 months period ended on 30 June 2014 (reviewed)
Net profit for the period attributable to the Company's shareholders	1,578,909	14,420,228
Number of ordinary shares at the beginning and at the end of the period (a)	281,782,756	281,782,756
Number of ordinary shares issued during the period (see the Note 9)	19,438,285	-
Number of ordinary shares at the end of the period (a)	294,741,613	281,782,756
Number of shares corresponding to the prepaid reserve (b) (see Note 9)	297,800	19,630,221
Weighted average number of ordinary (diluted) shares as at 30 June (a) + (b)	295,039,413	301,412,977
Diluted earnings per share (RON/share)	0.01	0.05

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*(All amounts are in RON, unless stated otherwise)***19. FINANCIAL RISK MANAGEMENT****a. Financial risk factors***Credit risk*

Credit risk is the risk that the Group will bare a financial loss if a customer or counterparty fails to meet its contractual obligations, and this risks arises mainly from the Group's trade receivables from customers and investment securities.

Financial assets, which potentially subject the Group to credit risk, consist principally of trade receivables, cash and cash equivalents and bank deposits. The sale of electricity is performed to customers on the regulated market and respectively on the competitive market, based on the framework established by ANRE and the rules of OPCOM market. The carrying amount of accounts receivable, net of allowance, represents the maximum amount exposed to credit risk.

On 30 June 2015, the Company has significant concentration of credit risk, considering that approximately 30% of the trade receivables are from Electrica Furnizare SA and GEN-I (see the Note 7).

The cash and deposits are placed in different financial institutions (banks), aiming the reduction of the counterparty risk, by the limitation of the exposure to a single financial institution.

The maximum exposure to credit risk on the reporting date was:

	Carrying amount	
	30 June 2015	31 December 2014
Financial assets		
Net trade receivables	89,499,556	161,902,165
Cash and cash equivalents	672,829,256	1,158,859,684
Bank deposits	554,115,606	31,442,715
Other net receivables	62,555,016	78,415,261
	1,378,999,434	1.430.619.825

The ageing of trade receivables at the reporting date is:

	Gross 30 June 2015	Impairment 30 June 2015	Gross 31 December 2014	Impairment 31 December 2014
Neither past due nor impaired	87,368,689		131,255,548	
Past due 1–30 days	1,480,609		30,505,234	
Past due 31–90 days	538,722		12,966	
Past due 91–180 days	36,538		6,702	
Past due 181–270 days	9,117		55,819	
Past due 271–365 days	1,294		7,071	
Past due more than one year	12,848,268	(12,781,960)	14,191,274	(14,132,449)
Total	102,283,237	(12,781,960)	176,034,614	(14,132,449)

The movement in the trade receivables allowance during the period was as follows:

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(All amounts are in RON, unless stated otherwise)

	30 June 2015	31 December 2014
Balance at 1 January	(14,132,449)	(14,203,561)
Reversal of allowance for impairment, net	1,350,489	71,112
Balance at period end	(12,781,960)	(14,132,449)

The ageing of other receivables at reporting date is:

	Gross 30 June 2015	Impairment 30 June 2015	Gross 31 December 2014	Impairment 31 December 2014
Neither past due nor impaired	61,216,888		76,792,017	
Past due 1–30 days	19,726		-	
Past due 31-90 days	405,778		-	
Past due 91-180 days	226,669		226,669	
Past due 181-270 days	105,109		97,759	
Past due 271-365 days	12,473		6,781	
Past due more than one year	4,553,016	(3,254,200)	4,546,235	(3,254,200)
Total	66,539,659	(3,254,200)	81,669,461	(3,254,200)

b. Carrying amount versus fair value

The fair value is the amount for which the financial instrument may be exchanged during an ordinary transactions conducted under objective conditions between willing and knowledgeable parties, other than those determined by the liquidation or forced sale. The fair values are obtained from the quoted market prices or cash flow models, as appropriate. On 30 June 2015 and 31 December 2014, the management considers that the fair values of the cash and cash equivalents, trade receivables and other receivables, trade payables, as well as other short term debts, approximate their carrying amount.

Given the sector where the company performs its activity, in conjunction with the specific character of the investments covered by the financing and guarantees structure which include a government guarantee, as well as due to the variable character of the interest rate, the Group's management considers that the fair value of the loans is approximately equal to the their carrying value. The carrying value of the loans is the amortized cost. Based on these considerations, the loans were classified as Level 2.

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(All amounts are in RON, unless stated otherwise)

	Carrying amount	Fair value	Level
30 June 2015			
Current financial assets			
Net trade receivables	89,499,556	89,499,556	2
Cash and cash equivalents	672,829,256	672,829,256	2
Bank deposits	554,115,606	554,115,606	2
Other net receivables	62,555,016	62,555,016	2
	1,378,999,434	1,378,999,434	

	Valoare contabila	Valoare justa	Nivel
30 June 2015			
Long term financial liabilities			
Long term borrowings	1,399,751,032	1,399,751,032	2
	1,399,751,032	1,399,751,032	
Current financial liabilities			
Trade Payables, including Suppliers of PP&E	142,453,420	142,453,420	2
Borrowings	205,672,396	205,672,396	2
Employee benefits and other payables	83,914,602	83,914,602	2
	432,040,418	432,040,418	

	Carrying amount	Fair value	Level
31 December 2014			
Financial assets			
Net trade receivables	161,902,165	161,902,165	2
Cash and cash equivalents	1,158,859,684	1,158,859,684	2
Bank deposits	31,442,715	31,442,715	2
Other net receivables	78,415,261	78,415,261	2
	1,430,619,825	1,430,619,825	

	Carrying amount	Fair value	Level
31 December 2014			
Long term financial liabilities			
Long term financial borrowings	1,496,191,642	1,496,191,642	2
	1,496,191,642	1,496,191,642	
Short term financial liabilities			
Trade Payables, including Suppliers of PP&E	188,359,948	188,359,948	2
Borrowings, short term portion of the long term borrowings	204,680,260	204,680,260	2
Employee benefits and other payables	56,276,336	56,276,336	2
	449,316,544	449,316,544	

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20. CONTINGENCIES AND COMMITMENTS

(i) Ongoing litigations

During the six months period ended 30 June 2015, the Group was involved in a number of litigations arising in the normal course of the activity. The management of the Group regularly analyzes the ongoing litigations and, after consulting with its legal representatives and external lawyers, decides whether or not to create a provision or to disclose any litigation in the financial statements.

In the Group's management opinion there are no litigations or claims pending to significantly affect the financial year and the financial position of the Group and that were not described in these Condensed Individual Financial Statements.

(ii) Commitments

As at 30 June 2015, the Group is committed to support operating expenses and investments of approximately mil RON 1.098.

21. SUBSEQUENT EVENTS

Expenses and Revenues Budget

On 26 June 2015, the Expenses and Revenues Budget of the company for 2015 was approved by Government Decision no. 468 and published in the Official Gazette of Romania, Part I, no. 478/01.07.2015. The Budget shall be submitted for the approval of the SNN General Shareholders Meeting.

The Units 3 and 4 CNE Cernavoda Project

On 27 July 2015, a meeting of the Interministerial Board for the Units 3 and 4 CNE Cernavoda Project was held during which the Memorandum of Understanding was approved, as well as the addendums, under the form proposed by the Negotiation Commission, and such document shall be sent, by means of a Memorandum, to the Romanian Government, to be approved.

Daniela Lulache
Chief Executive Officer

Mihai Darie
Chief Financial Officer

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