



QUARTERLY REPORT

**of the Board of Directors of S.N. NUCLEARELECTRICA S. A.
for the period 1st January - 31st March 2016**

1st Quarter 2016

Prepared according to the provisions of art. 7.19 and 7.21 of the administration contracts of the Board of Directors and with the provisions of the GEO no. 109/2011 regarding corporative governance of public enterprises

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

May 2016

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1. FOREWORD

The quarterly report of the administrators for the 1st quarter 2016 is prepared in compliance with GEO no. 109/2011 regarding the corporate governance of public companies as subsequently amended and with the Administration Contracts concluded between the administrators and the Company.

2. ANALYSIS OF THE FINANCIAL STATEMENTS

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

2.1. Individual statement of the financial position as at 31 March 2016

The financial position as at 31 March 2016 is presented in **Appendix 1**.

Thousand RON	31 March 2016	21 December 2015	Variation
Non-current assets	7.598.637	7.696.228	-1%
Current assets	2.024.387	1.861.187	9%
Total assets	9.623.024	9.557.415	1%
Non-current liabilities	1.596.159	1.642.689	-3%
Current liabilities	466.280	421.003	11%
Total liabilities	2.062.439	2.063.692	0%
Shareholder's equity	7.560.585	7.493.723	1%
Total equity and liabilities	9.623.024	9.557.415	1%

The **non-current assets** level is similar to the one recorded as at 31.12.2015. The impact of the investments capitalized in the period, mainly for the projects in progress related to Units 1 and 2, was compensated partially by the depreciation expense, therefore a drop of 1% of the net amount of the non-current assets is noted.

The **current assets** recorded an increase of 9% compared to 31.12.2015, due mainly to the increase by 13% of the cash at banks, mainly due to the receivables collection and VAT reimbursements of 19 million RON in the period. Thus, the receivables have decreased by 15% and the inventories by 2%, compared to the values at 31.12.2015.

The **non-current liabilities** have decreased with the installment payments related to the external loans contracted with Societe Generale and Euratom for the completion and commissioning of the Cernavoda NPP Unit 2.

As at 31.03.2016, the increase by 11% of the **current liabilities** is due, mainly, to the recognition of the liabilities with the tax on buildings, land and special constructions for the year 2016, in amount of approx. 21.762 thousand RON (31 December 2015: 0 RON) and the profit tax registered in the period, in amount of 20.678 thousand RON (31 December: 0 RON), partially compensated by the decrease of the deferred income.

2.2. Profit and loss account for the period ended as at 31 March 2016

During the period ended as at 31.03.2016, SNN recorded a net profit of 66.861 thousand RON.

Thousand RON	3 months period ended at 31 March 2016	3 months period ended at 31 March 2015	Variation
Production (GWh)	2.803	2.762	1%
Operating income, out of which:	454.434	486.431	-7%
Income from the sale of electricity:	446.432	440.293	1%
Operating expenses	(259.403)	(326.166)	-20%
EBITDA	195.031	160.265	22%
Depreciation and amortization	(119.055)	(116.042)	3%
EBIT	75.976	44.223	72%
Net finance income	10.300	8.055	28%
Income tax expenses	(19.415)	(16.843)	15%
Profit net	66.861	35.435	89%

The operational profit (EBITDA) has increased by 22% compared to the same period of the previous year, this evolution being the result of the following factors:

- The operating income dropped by 7% compared to the same period of the previous year, following a variation of the stored production which had a negative impact on “Other income” position as well as due to the decrease of the electricity transport fee starting July 1st, 2015, from 10,32 RON/MWh to 4,04 RON/MWh according to the ANRE Order no. 89/15.06.2015, which lead to a decrease by 60% of income from electricity transport. This decrease is compensated by a positive evolution of the same amount of the operating expenses, due to the cost of electricity transport.
- The revenues from the sale of electricity increased by 1% in the context of a relative constant production (+1%) and a slight increase of the weighted average prices. The energy quantity sold in the first quarter of 2016 on the regulated market is 1% higher compared to first quarter of 2015. The same increase by 1% was registered in the average sale price in the first quarter of 2016 on the competitive market compared to the same period of the previous year. The average price achieved for the energy sold on the regulated market increased by 3% compared to just 1% for the energy sold on the competitive market.
- The positive evolution of the operating expenses due to the decrease of the cumulated value of the tax on buildings, lands and special constructions, following the implementation of the new provisions of the Fiscal Code (42.290 thousand RON at 31 March 2016 compared to 66.544 thousand RON at 31 March 2015). Starting January 1st, 2016, the NPPs are no longer exempted from the definition of a building, therefore the Company is liable to pay a tax for non-residential buildings for the two nuclear-electric plants, instead of tax on special constructions.

The depreciation expenses slightly increased (3% compared to the first quarter of 2015), due to the put in function of some investments in the period subsequent to the 1st semester of the year 2015.

The company is exposed to the currency risk against several currencies, among which EUR, CAD and USD. The net currency exchange rate differences (incomes minus expenses from the currency exchange rate differences) have positively influenced the net result of the company, in the two periods, registering an increase of 28% compared to the first quarter of 2015.

The profit and loss account for the period ended on 31.03.2016 is presented in **Appendix 2**.

2.3. Execution of the Budget of revenues and expenses as at 31.03.2016

The budget of revenues and expenses for 2016 (“BVC”) was approved by the Resolution of General Meeting of Shareholders no 1/30.03.2016.

The company is monitored regarding the fulfillment of the indicators, performance objectives and criteria, respectively the compliance with the wage fund, with the level of income and expenditures, decrease schedule of overdue arrears and receivables.

The BVC execution as at 31.03.2016 is presented in **Annex 3** to the current report.

Out of the analysis of the execution method of the BUDGET for 31.03.2016 (**Annex 3**), it results a degree of accomplishment of the planned operating income of 95.3% and a decrease of operating expenses compared to the budgeted level of 17.19%.

3. OPERATIONAL ACTIVITIES

3.1. Electricity production

In the 1st quarter of the year 2016, the two units of the Cernavoda NPP produced a quantity of energy of 3.040.169 MWh (brutto) and delivered to the National Energy System 2.802.381 MWh (the difference, namely 238 thousand MWh, is represented by the own consumption of the units during operation).

The electricity production program approved by the Board of Directors of SNN for 2016 took into account a quantity of energy produced and delivered of 2.738.091 MWh for Q1 and this has been achieved in a percentage of 102,35%.

Compared with the 1st quarter of the year 2015, when a quantity of energy of 2.761.598 MWh was produced and delivered to the National Energy System, an increase by 1,5% of the net energy production was recorded.

The gross capacity factors, recorded by the units of Cernavoda NPP in the 1st quarter of 2016, annually as well as cumulatively since in service (Unit 1 on December 2, 1996 and Unit 2 on November 1, 2007) until March 31st 2016, were:

	January 2016	February 2016	March 2016	Cumulated Q1 2016	Cumulated since the commissioning
Unit 1	99,02%	98,51%	99,41%	98,99%	90,82%
Unit 2	99,87%	99,26%	100,04%	99,74%	94,42%

3.2. Electricity sales

The quantities of electricity sold in the 1st quarter 2016 and the related revenues, by types of sale contracts are presented in the table below:

SNN's electricity sales (quantities, prices and values) in the 1st quarter 2016

Sales on types	Quantities in MWh	% of total sales	Price (RON/MWh TG included)	Value, (RON)
Regulated contracts	590.175	21,00%	166,81	98.449.634
Sales on the competitive market (PZU and PI contracts) out of which:	2.212.391	78,71%	161,94	358.268.471
- sales on PCCB, PCCB-NC and supply contracts	1.871.833	66,60%	167,89	314.261.243
- sales on PZU and PI	340.558	12,12%	128,66	43.862.165
Positive PRE imbalances	8.182	0,29%		189.644
Total sales for 1st quarter 2016	2.810.748	100%		456.762.686

Regarding the energy transactions during the 1st quarter 2016, the following results were registered:

- The quantity of energy sold based on contracts, on the spot market (PZU – Day Ahead Market and PI – Intra-daily Market) and on the balancing market is of 2.810.748 MWh, with 0,33% over the sales program, of 2.801.486 MWh. The difference between the sold energy and the delivered energy by Cernavoda NPP is represented, mainly, by the energy bought for covering the contractual obligations, energy quantity that has been purchased from the Balancing Market.
- The income achieved on the energy market related to the energy delivered in the 1st quarter of 2016 is of 456.762.686 RON lower with 1,46% than the value considered in the BVC for 2016 and lower with 2,35% compared to the value achieved in the same period of the previous year.

The average weighted sales price for the sold quantities of energy (without the balancing market), resulted in the 1st quarter 2016, is of 162,91 RON/MWh (including TG). In the 1st quarter 2015, the average weighted sales price was of 167,38 RON/MWh.

Except for January, the prices on PZU were, on average, lower than the prices of the contracts concluded by SNN. The main cause of not fully achieving the planned income is represented by a decrease of the average market closing price registered on PZU during February and March, registering drops of 28% and 18,8% compared to previous months as well as the increase of the sales rate on the spot market, out of total sales in March of the current year, of 21,5% compared to 7,7% in March 2015.

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

The quantities of energy sold based on contracts concluded on the regulated were in compliance with ANRE Decision no. 2562/16.12.2015. Compared to the year 2015, ANRE reduced the regulated annual quantities from 21% to 14.42% of Cernavoda NPP's planned production for the year 2016, the regulated quantities attributed to SNN in the first quarter of 2016 being of 18,6% and in the first semester of 2016 of 10,8%. Within the process of eliminating the regulated tariffs, ANRE established the regulated quantities for the first quarter of 2016 at 21,6% of Cernavoda NPP's planned production for the period, compared to the first quarter of 2015, when the percentage was of 21,4%.

ANRE has established for SNN a regulated price of 162,71 RON/MWh (without TG). This value represents an increase of 2,57% of the price established in 2015 for the regulated market by the Resolution of ANRE no. 2719/15.12.2014, the value of which was of 158,63 RON/MWh (without TG).

For the energy sales on the regulated contracts, besides this price, the regulated tariff TG is added for the

introduction of the energy in the transportation grid, of 4,04 RON/MWh (decreased from 10,32 RON/MWh starting with July 2015 through the ANRE Order no. 89/15.06.2015).

Out of the effective production of Cernavoda NPP during the 1st quarter of 2016, a percentage of 21,06% was delivered on regulated contracts (Q1 2015: 21,20%).

The quantities of energy sold on the competitive market (bilateral contracts - PCCB) represented, in the 1st quarter of the year 2016, 66,60% of the total volume of the energy sold. The average sale price on bilateral contracts for the 1st quarter of 2016 was of 167,89 RON/MWh (TG included), recording an increase of 0,17% compared to the average price recorded in the 1st quarter of 2015, of 167,60 RON/MWh.

During the 1st quarter of 2016, SNN concluded 109 energy sale contracts, as follows:

- 6 regulated contracts (with addendums concluded for the year 2016),
- 1 contract concluded on PCCB;
- 95 contracts concluded on PCCB-LE;
- 4 contracts concluded on PCCB-NC;
- 2 contracts concluded on PCSU;
- 1 supply contract (with addendum concluded for the year 2016).

During the 1st quarter of 2016, there were no denounced/terminated contracts.

On the spot market, during the 1st quarter of 2016, SNN sold a quantity of energy representing 12,12% of the total sales volume, compared to a percentage of 8,27% registered in the 1st quarter 2015. The average sales price of the energy on the spot market achieved by SNN during this period was of 128,79 RON/MWh (TG included), compared to 161,44 RON/MWh registered for the same period of the year 2015.

There were no significant delays compared to the due terms stipulated in the contracts during 2016.

3.3. Expenses on the energy market

During the 1st quarter of 2016, the total estimated value of expenses of SNN on the energy market, due by SNN, amounted to 13.890.069 RON.

Out of this amount, the taxes for the introduction of the energy in the transportation grid (corresponding to the TG – regulated tariff that is paid to C.N.T.E.E. Transelectrica S.A.), the value of the green certificates necessary to be purchased for the supplied energy and the taxes implied by OPCOM for the sale-purchase transactions for the 1st quarter, represents 11.476.170 RON.

During the 1st quarter 2016, expenses on the balancing market amounted to 2.388.712 RON. This amount represents the value of the energy from the balancing market for the compensation of negative unbalances, which occurred due to the differences between the actual quantities of delivered energy and the quantities which were notified on the market as per the contractual obligations for each time frame, as well as the value of the notification unbalance.

3.4. Investment program as at 31.03.2016

The total value of the investment program of SNN for 2016 is of 255.394 thousand RON, program approved by the Decision no. 1/30.03.2016 of the SNN GMS. The company's investment program is part of the company's Budget.

The structure of the investment program for the year 2016 as well as the achievement degree on 31.03.2016 is presented in the table below:

SN Nuclearelectrica SAQuarterly report of the Board of Directors for the period January 1st – March 31st 2016*(All amounts are presented in RON, unless otherwise stated)*

No. crt.	Branch	Ongoing investments [thousand RON]	New investments [thousand RON]	Investment in current assets (modernizations) [thousand RON]	Equipment [thousand RON]	Total [thousand RON]	Completion degree as at 31.03.2016 (%)
1	SNN Executiv (head office)	12.512	9.879	0	635	23.026	0,0%
2	CNE Cernavoda Branch	162.250	8.472	933	41.555	213.210	12,2%
3	FCN Pitesti Branch	3.082	274	5.944	9.859	19.159	3,7%
	TOTAL	177.844	18.625	6.877	52.049	255.394	10.4%

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

The comparative situation of the achieved investment (value and percentage) for the first quarter of 2016 compared to the first quarter of 2015, is represented in the table below.

Year	Investment program value [thousand RON]	Achieved during the 1 st quarter (1.01-31.03) [thousand RON]	Completion stage for 1 st quarter (1.01-31.03) (%)
2016	255.394	26.671	10,4%
2015	282.705	33.837	19,7%

Analysis of the completion stage of the investment program as at 31 March 2016**SNN Head office**

The value of the investment program of the SNN Head Office amounts to 23.026 thousand RON and among the principles at the basis of the SNN Head office investment program were the following:

- The contribution SNN within the IPP type company for the completion of the Units 3 and 4 estimated at 8.880 thousand RON (equivalent to 2.000.000 EUR), according to the SNN EGMS Resolution no. 7/22.08.2014 for approving the strategy for the continuation of the Cernavoda NPP Units 3 and 4 Project;
- Security project for the informatics and communications systems, in amount of 1.766 thousand RON and implementing software applications amounting to RON 2.775 thousand;
- Consolidation of the headquarters in Magheru Office, in the amount of RON 2.100 thousand.

On 31.03.2016 there were no expenses registered regarding the objectives included in the investment program of SNN Head Quarters. The implementation of the 2 informatics projects mentioned before are conditioned by the review of the IT Strategy, following the reconsideration of the implementing requirements for the software applications out of the perspective of an integrated approach of the information flow at the level of SNN Head Quarters and the two branches, as well as from the perspective of integrating security solutions. In regards to the Magheru Office, the building owners from 33 Magheru have made no decision regarding the initiation of its consolidation works.

Cernavoda NPP Branch

The investment program of the Cernavoda NPP for the year 2016 amounts to 213.210 thousand RON. The completion stage of the investment program at 31.03.2016 is of 12,2%.

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

- The improvement of the nuclear safety systems, as a consequence of the Fukushima incident – 31.304 thousand RON.
- The improvement of the thermal performances of steam generators 1-3311-GA#1/GA#2/ GA#3/ GA#4 from Unit 1 by cleaning the ‘U’ tubes – 42.899 thousand RON;
- The modification of the excitation system GENEREX from U1 – 23.083 thousand RON;
- Software programs for the unit’s integrated management – 6.025 thousand RON;
- Interim spent fuel storage facility (including SICA U2) – 17.420 RON
- Installation of new access gates in the area of the supply water admission chamber / pre-heater of the steam generators 1/2 – 3311-GA#1 ÷ GA#4 – 5.608 thousand RON;

The total value of the major investment objectives such as PJ-05-016 Intermediate Spent Fuel Storage Facility, including SICA U # 2, PJ-04-001 Modernization and expansion of the physical protection system, PJ-11-006 Improvement of the Cernavoda NPP’s response, namely of the nuclear safety functions in case of events outside of the design base as a consequence of the nuclear accident that occurred at the Fukushima nuclear power plant, stipulated in the SNN investments program for the year 2016 is in amount of 53.724 thousand RON.

The degree of implementation of the major investment objectives as at the end of the 1st quarter 2016, compared to the investments program of the company is of 2,6%, according to the table bellow:

Project code	Project name/ Investment objective	2016		Completion stage
		Planned BVC [thousand RON]	Achieved until 31.03.2016 [thousand RON]	(%)
PJ-05-016	Interim spent fuel storage facility (including SICA U2)	17.420	1.196	6,9%
PJ-04-001	Upgrading and expansion of the physical protection system	5.000	0	0,0%
PJ-11-006	Improvement of the Cernavoda NPP’s response, namely the improvement of the nuclear safety functions in case of events outside the designed base as a consequence of the nuclear accident that occurred at the Fukushima 1 Nuclear Power Plant, Japan	31.304	197	0,6%
	Total	53.724	1.393	2,6%

SNN General Ordinary Meeting of the Shareholders of 25.04.2016 approved the update of appendix 1 and appendix 1.1 to the administration contracts concluded between the administrators and the company, the completion stage of the major investments objectives being 7%. Considering this stage, an accomplishment degree of 37% results from the provided target.

The main cause of completing the major objectives below the target of 7% are:

- extension by 6 months of the period for the acquisition procedure of the “C+M works corresponding to module 8” for the project “Interim spent fuel storage facility (including SICA U2)”, following certain successive claims from one of the bidders, therefore it is estimated that some of the works shall be completed in 2017;
- Registering delays in obtaining approvals/agreements/authorizations for the equipping Unit 5 corresponding to the project ‘Modernization and extension of the physical protection system’.

FCN (Nuclear Fuel Plant) Pitesti Branch

The investments program of FCN Pitesti Branch for the year 2016 is in amount of 19.159 thousand RON.

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

- Hall IV ventilation and air conditioning – 1.943 thousand RON;
- Integrated informatics system for the management of the nuclear fuel production – 1.139 thousand RON;
- Modernization of the fuels bundles fabrication line, in order to optimize the fabrication flow and the improvement of the quality of the final product – 726 thousand RON;
- Modernization of the communication infrastructure, data center arrangement according to the Standard TIA942-1 and implementation of certain measures for reducing the information security risk – 3.164 thousand RON;
- Other costs and investments – facilities and capital repairs – 9.859 thousand RON.

The completion stage on 31.03.2016 for FCN Pitesti Branch, was of 3,7 %.

The following investments objectives were completed, during the first quarter 2015:

- Modernization of the fuels bundles fabrication line, in order to optimize the fabrication flow and the improvement of the quality of the final product – the tender book is under preparation in order to continue the acquisition procedure for the small size autoclave equipment.
- Ventilation and air-conditioning for Hall IV (feasibility study, project, performance, environment studies) – Environment Agreement and Building Authorization, documents necessary for initiating works on the investment objective; in March the contract for the carrying out the works was concluded and in April the initiation order was issued.
- The integrated informatics system for the management of the nuclear production fuel (SIMP)' – the revised feasibility study is undergoing approval process.

At the level of the facilities, in February, respectively March, the contracts for the delivery, mounting and operation of two important installations were signed: *Graphite Sheath installation* (approved value of 1.210 thousand RON) and *Cap-grid welding installation* (approved value 2.033 thousand). The term provided for the delivery and operation is 13 months since the signing of the contracts.

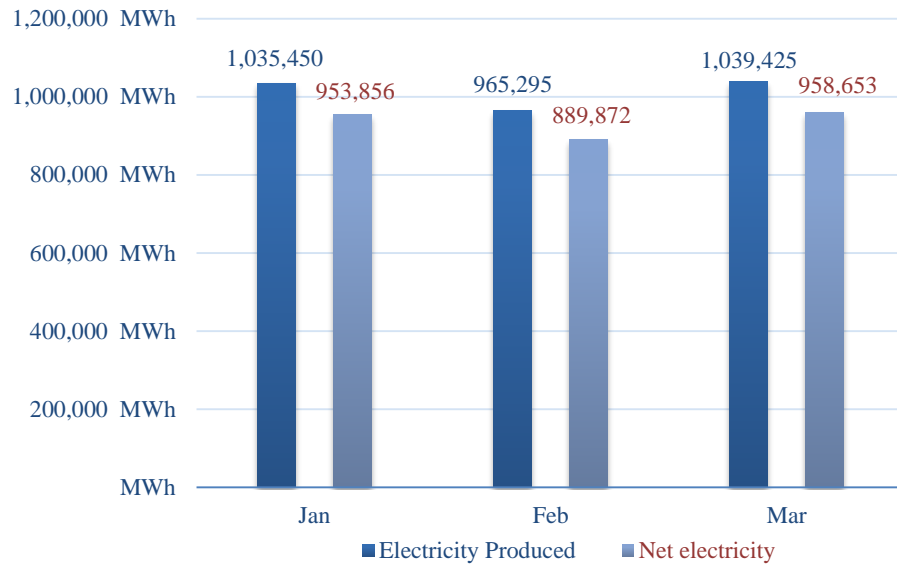
3.5. The activity of Cernavoda NPP Branch

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

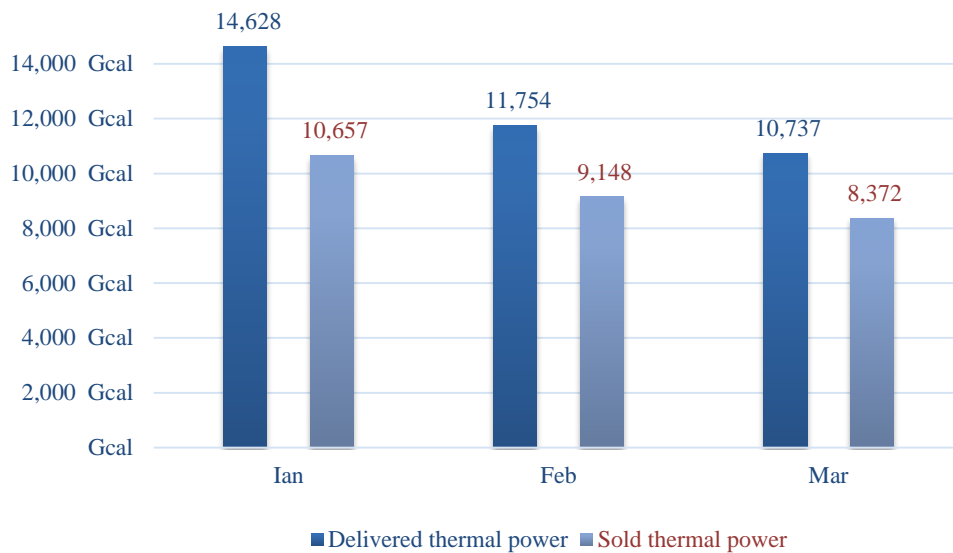
During the 1st quarter of 2016, there were no operation events exceeding level 1 on the international nuclear events scale, regarding the degradation of the in depth barriers, with impact on or off site (indicator 1).

The main indicators of the production activity are mentioned in the following graphics.

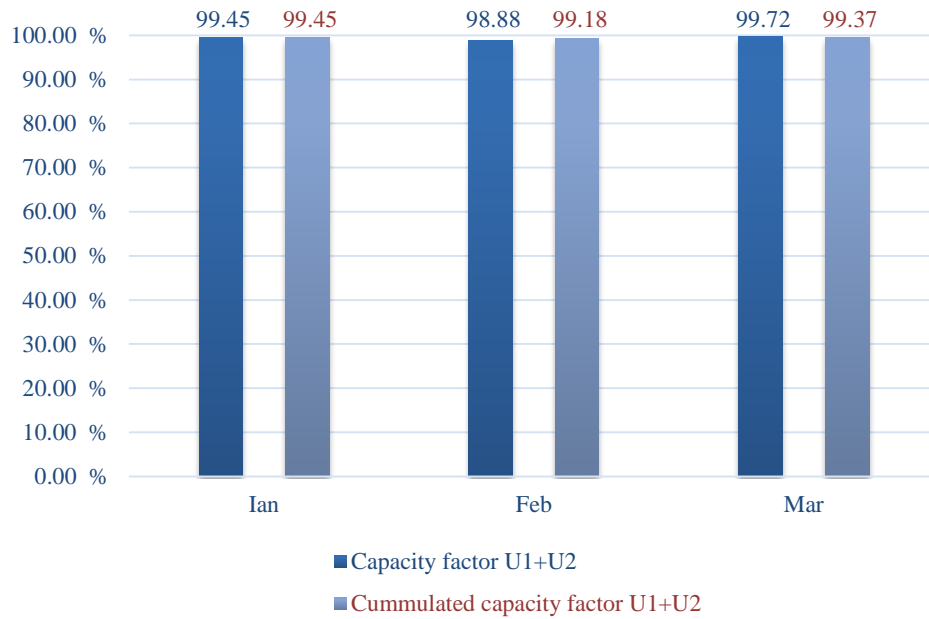
Produced/net electricity U1 + U2 (MWh)
(Produced electricity: 3.040.169 MWh/ Net electricity: 2.802.381 MWh)
(cumulated technological consumption for the first quarter of 2016: 7,82%)



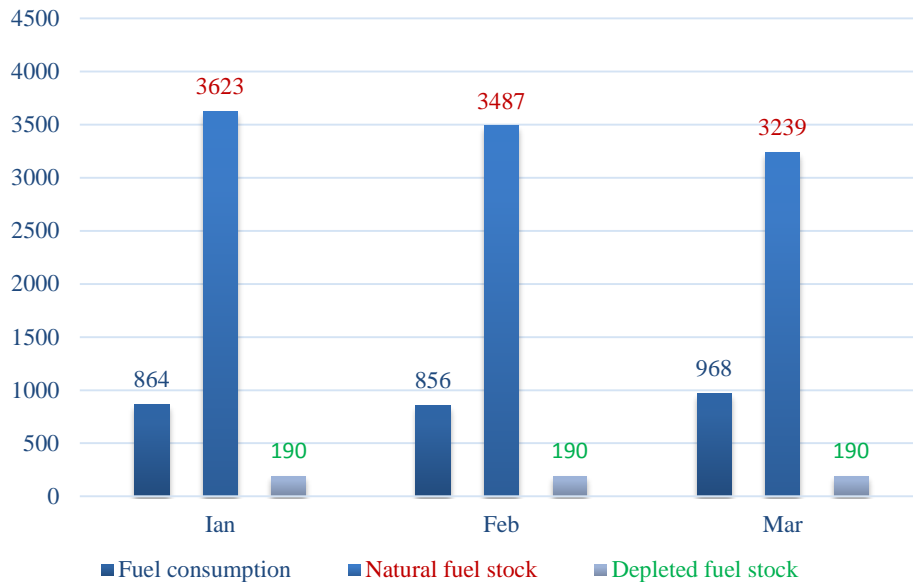
Thermal power delivered / sold to the district heating system (Gcal)
(Delivered thermal power: 37.118 Gcal / Sold thermal power: 28.176 Gcal)



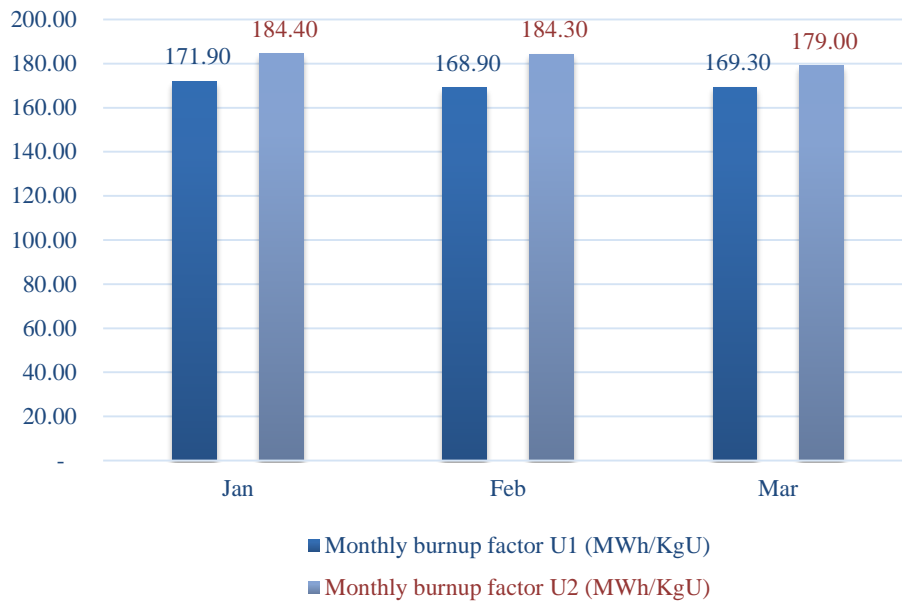
Installed capacity factor U1 + U2 (%)
(Cumulated for the first quarter of 2016: 99,37%)



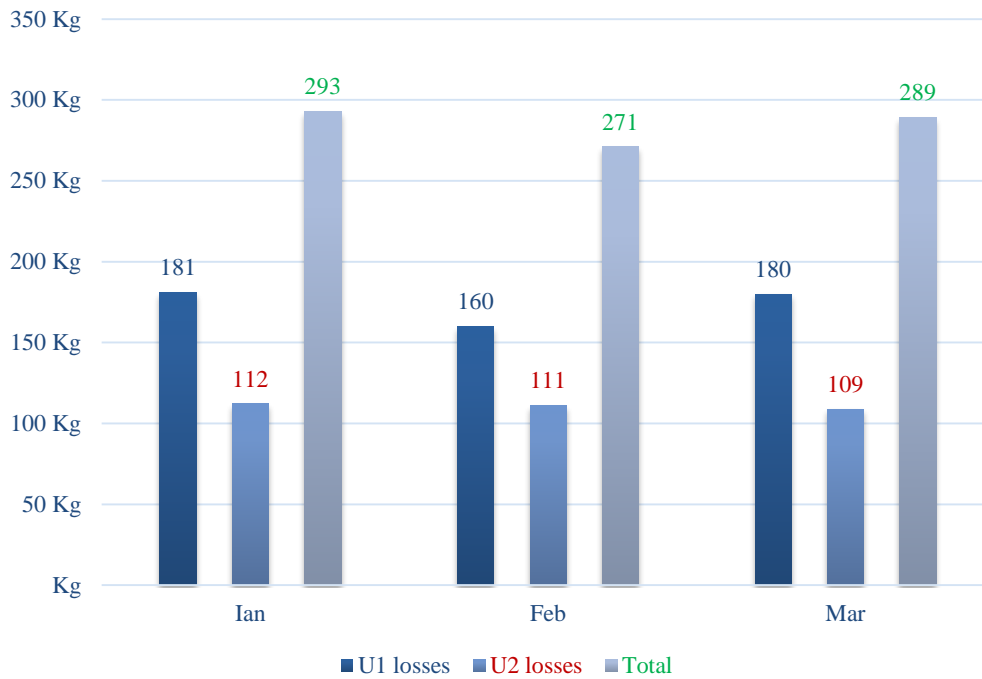
U1 + U2 fuel consumption / Fuel inventory (bundles)
(Cumulated consumption for the first quarter of 2016: 2.688)



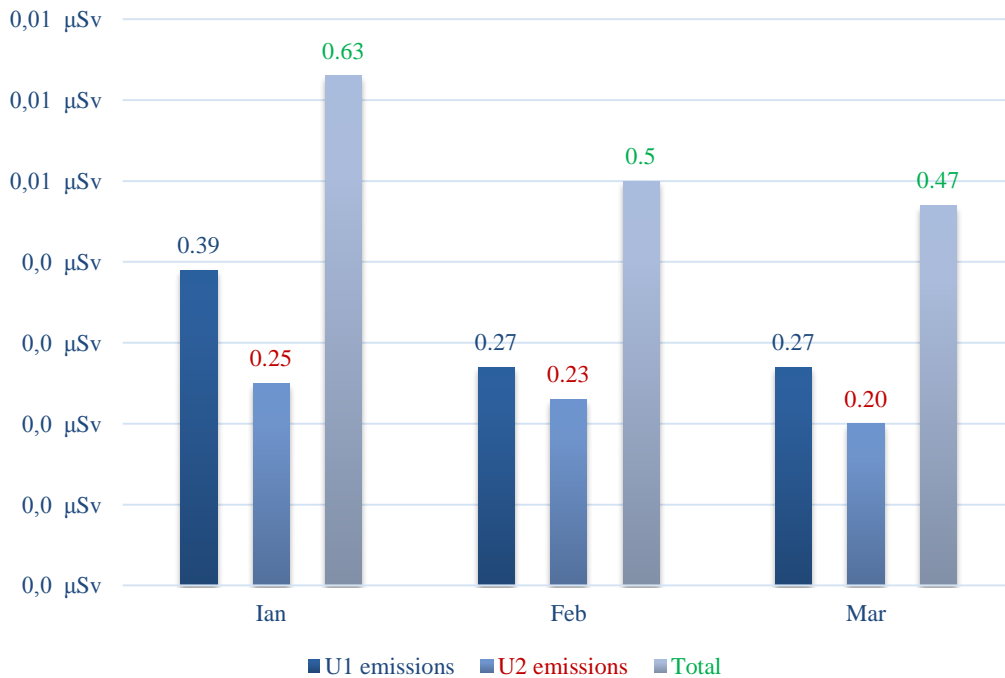
Fuel burnup factor (MWh/KgU)
(Cumulated for the first quarter of 2016: 176,19 / Stipulated in the project: min. 156,00)



Heavy water losses U1+U2 (Kg)
(Cumulated in the first quarter of 2016: 853 / Stipulated 2014: max. 6.800)



**U1 + U2 radioactive emissions to the environment (µSv)
 (Total for the first quarter of 2016:1,60/annual limit: 7,5)**



3.6. FCN Pitesti Branch activity

During the 1st quarter of 2016, a number of 2.012 nuclear fuel bundles were manufactured by FCN, controlled and accepted, complying with the specifications, as per the manufacturing plan. Due to the reduced stocks of sintered uranium dioxide powder (UO₂), the production of nuclear fuel bundles decreased by 44,11 % compared to the same period of 2015 (from 3.600 bundles, at 31.03.2015, to 2.012 bundles, at 31.03.2016).

FCN has delivered in the first quarter of 2016 to Cernavoda NPP the quantity of 2.160 nuclear fuel bundles, according to the agreed delivery chart.

During the first quarter of 2016, sintered uranium dioxide powder was consumed for the price of 475 RON/kg, in stock on 31.12.2015, from CNU and from imports purchased from CAMECO Inc.

4. OTHER SIGNIFICANT ASPECTS

4.1. Cernavoda NPP Units 3 and 4 Projects

The main landmarks of continuing the Cernavoda NPP Units 3 and 4 Project are the following:

- On November 9th, 2015 The Memorandum of Understanding for the development, construction, operation and decommissioning of Cernavoda NPP Units 3 and 4 ('MoU') was signed between SNN China General Nuclear Corporation (CGN);
- On 23.11.2015, the Negotiation commission sent to CGN the initial versions of the Investors Agreement and Articles of incorporation of the future project company ('JVCo');
- On January 19th, 2016, the Romanian Government issued the Support Letter for the Project Cernavoda NPP Units 3 and 4;
- During February – April 2016, intensive rounds of negotiations took place for the investment documents, respectively the Investors Agreement and Articles of Incorporation of the future project company.

4.2. Litigations with the shareholder Fondul Proprietatea S.A.

Fondul Proprietatea S.A. has registered at Bucharest Court of Law the request for annulment of the EGMS Resolution no. 8/6.10.2014 which approved the increase of the share capital of SNN with cash contributions in the total maximum amount of 239.172.630 RON, by issuing a maximum number of 23.917.263 new shares, for a price of 10 RON/share. The request is filed under the number 40046/3/2014, registered with the Bucharest Court of Law.

On 18.04.2016, the court of law requested additional information from the Ministry of Public Finances, establishing a new term for trial for 30.05.2016.

4.3. Major litigations

The situation of major litigations (amounting over 500 thousand RON) and of those not evaluated in cash ongoing on 31.03.2016 is presented in **Annex 4**.

4.4. Changes in company's leadership

On 19.02.2016, SNN management decided to suspend the Manager of CNE Cernavoda Branch and Economic Manager of CNE Cernavoda following the decision of the National Anti-Corruption Directorate – Constanta Territorial Service, for taking legal control measures for a period of 60 days, starting 18.02.2016.

In order to ensure the continuation of the activity, SNN management decided that Mr. Marian Serban, the Station Manager of CNE Cernavoda take-over the attributions of the Manager of CNE Cernavoda Branch and Mrs. Titina Holobiuc take-over the attributions of the Economic Manager within CNE Cernavoda.

5. THE MAIN ECONOMIC AND FINANCIAL INDICATORS AS AT 31.03.2016

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

Indicator ^{*)}	Method of calculation	M.U.	31.03.2016
1. Current liquidity ratio	Current assets/ Current liabilities	x	4,34
2. Debt ratio			
2.1. Debt ratio (1)	Non-current liabilities/ Equity x 100	%	19,2%
2.1. Debt ratio (2)	Non-current liabilities/ Capital employed x 100	%	16,1%
3. Accounts receivable turnover ratio	Average accounts receivables balance/ Turnover x 90	days	29
4. Non-current assets turnover ratio^{**)}	Turnover/ Non-current assets	x	0,24

*) based on unaudited individual interim condensed financial statements

***) non-current assets turnover is calculated by analyzing the quarterly turnover (360 days/90days)

6. DEGREE OF ACCOMPLISHMENT OF PERFORMANCE INDICATORS

The performance indicators were calculated based on the SNN Budget approved by the General Meeting of Shareholders Decision no. 1/30.03.2016 and on the quarterly breakdown of the Budget, as well as based on Appendixes I and I.1. to the administration contracts concluded between the administrators and the company, updated by the GMS Decision no. 3/25.04.2016, comprising the level of performance indicators and criteria for 2016.

The indicators were accomplished in a proportion of over 100% during the first quarter of 2016, as it results from Annex 5 (the degree of accomplishment being in a proportion of 125,28%).

Regarding the compliance degree of the annual value investment plan according to Table 28 of the management plan and Annual budgets, in determining the compliance degree of the value investment plan are considered only the investments mentioned in table 28 from the management plan and the performance degree is limited to a maximum of 100% (performed vs planned).

The Board of Directors monitors also the quarterly reports of the managers, their mandate contract performance; for information, the indicators and performance criteria included in the mandate agreements of the managers were performed over 100% from quarter I of 2016 (111,32% the general manager and the financial manager, 130,74% the manager of the CNE Cernavoda Branch).

Board of Directors
Alexandru Sandulescu
President

Appendix 1 – Financial position as at 31.03.2016

	31.03.2016 (unaudited)	31.12.2015 (audited)
Assets		
Non-current assets		
Property plant and equipment	7.366.448.365	7.474.555.551
Intangible assets	90.499.921	79.982.771
Financial instruments	141.689.201	141.689.201
Total non-current assets	7.598.637.487	7.696.227.523
Current assets		
Inventories	315.213.177	323.222.947
Income tax to be recovered	-	1.173.730
Trade and other receivables	139.534.469	163.499.181
Prepayments	24.768.385	12.072.918
Bank deposits	1.301.401.996	1.103.841.528
Cash and cash equivalents	243.468.737	257.376.819
Total current assets	2.024.386.764	1.861.187.123
Total assets	9.623.024.251	9.557.414.646
Equity		
Capital and reserves		
Share capital, out of which:	3.210.641.253	3.210.641.253
<i>Subscribed and paid in share capital</i>	3.015.138.510	3.015.138.510
<i>Inflation adjustment to share capital</i>	195.502.743	195.502.743
Share premium	31.474.149	31.474.149
Prepaid share reserve	21.553.537	21.553.537
Revaluation reserve	286.444.085	293.329.577
Retained earnings	4.010.471.732	3.936.724.775
Total shareholders' equity	7.560.584.756	7.493.723.291
Liabilities		
Non-current liabilities		
Long term borrowings	1.239.097.923	1.279.606.054
Deferred income	154.205.112	157.791.277
Deferred tax liability	171.059.555	173.496.018
Employees' benefits	31.796.021	31.796.021
Total non-current liabilities	1.596.158.611	1.642.689.370
Current liabilities		
Accounts payables and other liabilities	227.239.477	197.281.806
Current tax liability	20.678.197	-
Deferred income	6.364.210	21.671.875
Current portion of long term borrowings	211.999.000	202.048.304
Total current liabilities	466.280.884	421.001.985
Total liabilities	2.062.439.495	2.063.691.355

Total equity and liabilities**9.623.024.251****9.557.414.646****Appendix 2 – Profit and loss account for the 3 months period ended as at 31.03.2016**

	3 months period ended 31 March 2016 (unaudited)	3 months period ended 31 March 2016 (unaudited)
Revenues		
Sales of electricity	446.432.316	440.292.937
Electricity transmission revenues	11.321.171	28.497.774
Total revenues	457.753.487	468.790.711
Other income	(3.319.128)	17.640.130
Operation expenses		
Depreciation and amortization	(119.055.466)	(116.041.804)
Personnel expenses	(67.952.824)	(65.118.255)
Cost of traded electricity	(2.413.899)	(6.887.794)
Repairs and maintenance	(16.749.315)	(15.295.853)
Electricity transportation expenses	(11.321.171)	(28.497.774)
Costs with spare parts	(1.754.185)	(3.195.919)
Cost of uranium fuel	(39.178.963)	(42.354.421)
Other operating expenses	(120.031.281)	(164.815.573)
Total operating expenses	(378.457.104)	(442.207.393)
Operating result	75.977.255	44.223.448
Finance costs	(22.106.103)	(33.571.817)
Finance income	32.405.776	41.626.695
Net finance cost	10.299.673	8.054.878
Profit before income tax	86.276.928	52.278.326
Income tax expense	(19.415.463)	(16.842.990)
Net profit	66.861.465	35.435.336

Appendix 3 – Execution of the Budget as at 31.03.2016

Thousand RON

0		1		2		3	4	5	6=5/4
		INDICATORS		No.	I quarter Budget 2016	Executed I quarter 2016	%		
I.		TOTAL INCOME		1	510.727	486.706	95%		
	1	Total operation income, of which:		2	488.820	454.301	93%		
		c1	subsidies, according to current legal provisions	3	-	-	0%		
		c2	transfers, according to current legal provisions	4	-	-	0%		
	2	Financial income		5	21.907	32.406	148%		
	3	Extraordinary income		6	-	-			
II		TOTAL COSTS (ln.30+ln.136+ln.144)		7	483.579	400.429	83%		
	1	Operating costs, of which:		8	458.629	378.323	82%		
		A. Expenses with assets and services		9	188.757	114.763	61%		
		B. Expenses with contributions, taxes and other duties, taxes and similar levies		10	78.902	70.106	89%		
		C. Expenses with personnel, of which:		11	74.100	68.481	92%		
		C0	Wage-type expenses	12	54.851	51.812	94%		
		C1	Wage expenses	13	51.410	49.739	97%		
		C2	Premiums	14	3.441	2.073	60%		
		C3	Other personnel costs, of which:	15	259	248	96%		
		Expenses for compensation payment corresponding to personnel layoff		16	-	-	0%		
		C4	Expenses corresponding to mandate contract and other management and control authorities, commissions and committees	17	550	244	44%		
		C5	Expenses with social security and protection, special funds and other legal duties	18	18.440	16.177	88%		
		D. Other operating costs (ln.121+ln.124+ln.125+ln.126+ln.127+ln.128), of which:		19	116.870	124.973	107%		
	2	Financial costs		20	24.950	22.106	89%		
	3	Extraordinary costs		21	-	-	0%		
III		GROSS RESULT (profit)		22	27.148	86.277	318%		
IV		INCOME TAX		23	7.246	19.415	268%		
V		ACCOUNTING PROFIT AFTER DEDUCTION		24	19.902	66.861	336%		

Appendix 4 – SNN major litigations as at 31.03.2016 (over 500 th RON), including the monetary unevaluated ones

No.	File number	Court of Law	SNN position	Opponent	Object / Value	Current process stage	Previous process stages	Process stage term
	SNN							
1.	3868/118/2012	Constanta Court of Law	Creditor	PROCONEX UNIVERSAL S.R.L.	Bankruptcy, individual procedure receivables accepted, 3.369.886,85 RON	On the merits of the case	Official liquidator Insolvency Individual Office 'Nicolae Anca' ongoing procedure	23.05.2016
2.	27406/3/2012	High Court of Cassation and Justice CAB retrial	Claimant Creditor	Tinmar Ind S.A.	Delay penalties, tariff and interest admitted 1.286.326,78 RON and 18.345,23 RON court expenses	Appeal re-judgment at Bucharest Appeal Court	<p><u>Trial on the merits of the case (Bucharest Court of Law)</u>: Partially admits the request of SNN – Tinmar Ind S.A. has the obligation to pay the amount of 1.230.780,39 RON and 16.423,80 RON court expenses</p> <p><u>In appeal (Bucharest Appeal Court)</u>: partially changes the sentence – more over to the merits of the case, Tinmar Ind S.A. has the obligation to pay SNN the amount of 55.546,39 RON and 555,47 RON court expenses, for the merits of the case and 1.365,96 RON appeal expenses.</p> <p><u>In appeal (High Court of Cassation and Justice)</u> admits the appeal, quashes the decision of Bucharest Appeal Court and the file is sent to Bucharest Appeal Court for being retrial</p> <p><u>Appeal (retrial)</u> Admits the appeal. Partially changes the resolution. Obliges the creditor Tinmar to pay the amount of 292.982,47 RON, representing the tariff difference for the transport service for introduction of the energy in the grid and 1.289.812,54 RON, delay penalties related to the invoices issued based on the contracts nr. 1547/20.11.2009 and nr. 1574/09.12.2009. Obliges the creditor Tinmar to pay the amount of 24.049,94 RON, trial costs on the merits o case</p>	20.04.2016

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							of the case to the claimant. The other provisions of the sentence remain. Obliges the creditor Tinmar to pay the amount of 15.901,97 RON, cost costs for appeal to the claimant. With appeal in 15 days since the sentencing. Resolution 714/20.04.2016	
3.	2183/115/ 2010	Caras-Severin Court of Law	Creditor	Cet Energoterm Resita S.A.	Bankruptcy, receivables 580.974,21 RON	On the Merits of the case		09.06.2016
4.	48031/299 / 2010	Sector 1 Court of Law	Civil party	Rotaru Ioan, Ispas Gheorghe, Irimie Traian TESS civil responsible party	Deeds of corruption – abuse in service. 13.493.080,3 RON the court convicted in paying a prejudice of 13.453.181,19 RON,consisting in -7.481.329,701 RON as civil compensation (material damage for the TD-R contract – 015 no. - 2.433.400.22 RON as civil compensation (material damage for the TD-R contract 111 no. 99/07.01.2005 - 2.886.718.2813 RON as civil compensation (material damage for the TD-R contract 074 no. 145/19.09.2003 -651.732,9796 RON as civil compensation (material damage for the TD-RI contract - 036 no. 904/15.10.2003	On the Merits of the case	On the merits: convicts Rotaru Ioan for 6 years in prison, Ispas Gheorghe for 6 years in prison, Traian Cezar Irimie for 6 years in prison, Angelescu Andrei for 4,6 years in prison for abuse in service” with very special continuous consequences, action provided in art. 13 index 2 of the Law no. 78/2000. Convicts Prisecaru Tereza for 5 years in prison and Nemtanu Raducu for 5 years in prison for complicity in „abuse in service” with very special continuous consequences, according to art. 48 of the Criminal code related to art. 13 ² of the Law no. 78/2000.	19.04.2016

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					<p>(material damage for the TD-R contract 111 no. 99/07.01.2005 - 2.886.718.2813 RON as civil compensation (material damage for the TD-R contract 074 no. 145/19.09.2003 -651.732,9796 RON as civil compensation (material damage for the TD-RI contract - 036 no. 904/15.10.2003</p>	<p>On the Merits of the case</p>	<p>Based on art. 397 of the CPC and art. 998-999 of the Civ. code admits in part the civil action drafted by the civil party SNN. Jointly forces the defendants ROTARU IOAN, IRIMIE TRAIAN CEZAR, PRISECARU TEREZA and NEMANU RADUCU – the last two joint with the civil responsible party S.C. TESS CONEX S.A. to pay to the civil party SNN the amount of 13.453.181,19 RON (the amount of). Based on art. 404 paragraph (4) letter c) of the CPC keeps the measure of insurance lien for the movable and non-movable assets of Prisecaru Tereza and other civil responsible parties TESS CONEX S.A. Iasi for the amount of 13.453.181,1819 RON. Based on art. 397 par. (2) related to art. 249 par. (1), (2), (5) and (6) din CPC, provides the insurance lien, on the movable and non-movable assets of the defendants. Rules the issuance of letters to the Office of Cadastre and Real Estate Publicity – competent territorial structures for the domicile of each defendant, to the city hall of each defendant’s domicile, to A.N.A.F – County Administration of Public Finances, competent depending on the domicile, in order to comply with the insurance lien measure, following that these authorities would forward to the court of law the result of the checks performed (identified movable and non-movable assets), and as the case may be, the insuring compliance method. Right of appeal within 10 days from the communication. Decision 493/ 10.07.2015</p>
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5.	9089/101/ 2013	Mehedinti Court of Law	Creditor	RAAN	Insolvency Receivables 7.828.405,48 RON	On the merits of the case	Based on art. 107 par. 1 letter c Law 85/2006. Rules the initiation of the bankruptcy procedure to the debtor. Based on art. 107 par. 2 Law 85/2006. Appoints the temporary Official Receiver for Euro Insol SPRL	02.06.2016
6.	7238/120/ 2012	Dambovită Court of Law	Creditor	Eco Energy	Bankruptcy receivables 2.464.059,64 RON	On the merits of the case	Receivable registered in the final table	13.06.2016
7.	3793/2/2013	High Court of Cassation and Justice	Intimate	Greenpeace CEE Romania	Issuing annulment of the environment agreement. Project of the Units 3-4	Appeal	Merits of the case: Admits the exception of lack of object on the end II of the initially drafted request (annulment of the environment agreement for the project „Continuing the building works and completion for U 3 and 4). Appeal :Rejects the II end of the initially drafted request regarding the annulment of the environment agreement for the project „ Continuing the building works and completion for U 3 and 4at CNE Cernavoda”, as lack of object. Rejects the request, as completed by the additional request, as ungrounded. Decision no. 1436/09.05.2014	12.05.2016
8.	873/1259/ 2008	Arges Court of Law	Creditor	Termoficare 2000 SA	Bankruptcy receivables 2.713.986,71 RON	On the Merits of the case	Rules the display on the court’s door the report on funds obtained from liquidation and performed payments	31.05.2016

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9.	18770/3/2007	Bucharest Court of Law	Creditor	Condem SA	Bankruptcy receivables 2.446.227,08 RON	On the Merits of the case	Orders the appointment as official receiver for this cause, the company INTERCOM MANAGEMENT SPRL. Orders the termination of attributions of the official receiver RVA INSOLVENCY SPECIALISTS SPRL	28.09.2016
10.	11661/3/2014	Bucharest Appeal Court	Intimate	Fondul Proprietatea S.A.	Absolute nullity notice of the Resolution AGEA S.N.N. no. 1/11.03.2014	On the Merits of the case	On the merits (TB) rejected the request of Fondul Proprietatea admitting the exception of the lack of interest reported to the request's object. Appeal CAB :admits the FP appeal, cancels the appealed sentence and sends the cause to trial at the same court. Final. Retrial merits (TB) : The court ruled the suspension of the cause in relation to the fact that the Bucharest Court of Law and Craiova Court of Appeal requested to the European Union Court of Justice details regarding the possibility of existing ajutorului de stat in legatura cu proiectele ce fac obiectul Hotararii AGEA S.N.N. nr. 1/11.03.2014.	Suspended
11.	416/2/2014	Bucharest Court of Appeal ICCJ	Claimant	National authority for Energy Regulation	Change of tariff regulated by Decision 3609/2013	On the merits	On the merits: On 14.10. 2014 was rejected the request as ungrounded. Decision 2723/14.10.2014	
12.	1794/118/2016	Constanta Court of law	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor Davy Security SRL civil party	Prejudice 3.471.463 euro	On the merits		Trial date to be established
13.	3490/121/2015	Galati Court of law	Claimant	Arcelor Mittal Galati S.A	Claims 8.575.245,78 RON counter value difference from sale of laid off energy and other associated costs	On the merits		16.05.2016

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14.	13275/3/2015	Bucharest court of Law	Defendant	Hidroelectrica SA	Claims 40.812.717 RON counter value difference for energy acquisition ensuring contract and energy sale with legal interest	On the merits	On the merits: Admits the exception of the prescription for the material right for action. Rejects the action as being prescribed. With appeal in 30 days after communication. Decision no. 6860/07.12.2015	
15.	40046/3/2014	Bucharest court of law	Defendant	Fondul Proprietatea	Stating the absolute nullity of the EGMS Decision no. 8/6.10.2014 share capital increase by cash input by issuing shares - mentioning the court decision at the Reg. of Commerce and radiation of mentions at the Reg. of Com. Based on the EGMS decision cancelled	On the merits		30.05.2016
16.	26063/3/2015	Bucharest Court of law 2 nd S Fiscal and Administrative Legal Department	Claimant	Court of Auditors and Arges Court of Auditors	Annulment - CC Decision 9/23.03.2015 - CC conclusion 38/19.06.2015 -Control report 341/27/2015 at FCN Pitesti	On the merits	On the merits: Rejects the action, as ungrounded. With a right of appeal within 15 days from the communication to be submitted, in this case, at the Bucharest Court of Law. Decision 1297/29.02.2016	

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17.	26062/3/2015	Bucharest Court of law 2 nd S Fiscal and Administrative Legal Department Arges Court of Law	Claimant	Court of Auditors and Arges Court of Auditors	Annulment - CC Decision 9/23.03.2015 - CC conclusion 38/19.06.2015 -Control report 341/27/2015 at FCN Pitesti	On the merits	On the merits: Admits the material incomppliance exception of Bucharest Court of Law – 2 nd S of Administrative and Legal Department. Declines the competency of resolution for the cause regarding the claimant in favor of Pitesti Court of Law – Administrative and Legal Department irrevocable. Decision 7572/ 03.11.2015 T.Arges: solution on the merits: accepts the request. Rules the suspension of the performance for Decision no. 9/23.03.2015 up to the final resolution of the action. Enforceable. With a right of appeal within 5 days after the communication. Ruled today, February 1 st , 2016, at Argeş Court of Law –Civil Department, specialized Administrative and Legal Department. Decision 90/ 01.02.2016	
18.	4960/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCCJ	Claimant	Court of Auditors	Suspending the measure performance D&O INSURANCE POLICIES	On the merits	On the merits: Admits the request in part. According to art. 15 of the Law no. 554/2004 suspends the performance of point II.12 of the decision no. 16/11.05.2015 issued by the Romanian Court of Auditors – 4 th Department until the final resolution of the action registered in the file no. 4912/2/2015. Enforceable. Rejects as unacceptable the suspension request of performing the point 10 from conclusion no. 59/17.07.2015 and point 3.1.10 of the Control report no. 4371/10.04.2015 issued by the Romanian Court of Auditors. With right of appeal after 5 days from the communication. Decision 2608/ 15.10.2015 Appeal: ICCJ	
19.	4961/2/2015	Bucharest Court	Claimant	Court of	Suspension of	On the	On the merits:	Trial

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		of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ		Auditors	performance of TOURISTIC SERVICES	merits	Rejects the suspension request for the performance as being ungrounded. With right of appeal after 5 days from the communication. Decision 2660/20.10.2015 Appeal : SNN	date to be established
20.	4962/2/2015 Connected to 4966/2/2015 court decision	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance for BONUSES and COURT DECISION	On the merits	On the merits: Admits the exception of unacceptability invoked by the defendant. Rejects as unacceptable the request counts stating the suspension of performing points 3.1.7 and 3.1.8 from the Control report no. 4371/10.04.2015. Rejects for lack of interest the requests for performance suspension of point 8 of the Conclusion no. 59/17.07.2015 of the Resolution Committee for claims and point II 10 of decision 16/11.05.2015 issued by the defendant. Rejects as ungrounded the suspension requests for the performance of point 7 of the Conclusion no. 59/17.07.2015 of the Resolution Committee for claims and point II 9 of the Decision 16/11.05.2015 issued by the defendant. With right of appeal after 15 days from the communication. Decision ruled in 08.12.2015.	Sentencing 8.12.2015 The sentence was received on 18.01.2016
21.	4968/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance for compensations for LEGAL ADVISERS	On the merits	On the merits: Admits the action in part. Rules the suspension of the partial performance of Decision no. 16/2015 and namely the measure ruled at point II.11, as well as the Conclusion no. 59/2015- point 9, up to the final resolution of the action in annulment point II.11 of the Decision no. 16/2015 and point 9 of the Conclusion no. 59/2015. Rejects the suspension request of the control report no. 4371/2015- pct. 3.1.9- as	Trial date to be established

							unacceptable. With right of appeal after 5 days from the communication. Decision 2684/20.10.2015 Appeal by ICCJ	
22.	4969/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance MICROSOFT	On the merits	On the merits: Admits in part the request for suspension. Suspends the performance of point 11 of the conclusion no. 59/17.07.2015 and point II.13 of the Decision no. 16/11.05.2015 issued by the Romanian Court of Auditors until the final resolution of the substance action. Enforceable. With right of appeal after 5 days from the communication. Decision 2956/ 11.1.2015.	
23.	4970/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance NON-RESIDENTS	On the merits	On the merits: Admits the request in part. Provides the partial suspension of the Decision no. 16/11.05.2015 in regards to point II.8, respectively the conclusion no. 59/17.07.2015 in regards to point 6, up to the final resolution of the action in annulment. Rejects as unacceptable the suspension request of point 3.1.3 of the Control report no. 4371-10.04.2015. With right of appeal after 5 days from the communication. Decision 2503/ 07.10.2015 CC Appeal	
24.	4971/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance for the contract development GENERAL CONCRETE	On the merits	On the merits: Rejects the action as ungrounded. With right of appeal after 5 days from the communication. Decision 2773/ 28.10.2015	
25.	4959/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Annulment of the measure EXCURSIONS	On the merits	Accounting expertise	20.05.2016
26.	4902/2/2015	Bucharest	Claimant	Court of	Annulment of	On the	On the merits:	

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	connected to 4907/2/2015 bonuses	Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ		Auditors	the measure CONTRIBUTIONS and BONUSES	merits	Accepts the main request and connected request, in regards to points 1 and 2. Cancels in part the conclusion no. 59/17.07.2015 and the decision no. 16/11.05.2015, in regards to point 9 and point 8 of the conclusion, respectively measures from point II.11 and II.10 of the decision. Rejects as unacceptable point 3 of both requests, regarding the partial annulment of the Control Report no. 4371/10.04.2015. With right of appeal after 15 days from the communication. The appeal shall be submitted at CAB – 8 th department. final. Decision 3419/17.12.2015	
27.	4906/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Annulment of the measure ACQUISITIONS	On the merits	On the merits: Based on art. 413 par. 1 point 1 Cpc suspends the trial of the hereby case up to the final resolution of the file no. 62136/299/2015 of the Court of Law of Sector 1 Bucharest. With a right of appeal during the entire suspension period. Conclusion - Suspension 18.01.2016	Suspended

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28.	4912/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Annulment of the measure POLITE D&O	On the merits	On the merits: Admits the request brief resolution: Rejects the exception of unacceptability of the partial annulment request of the Control Report no. 4371/10.07.2015. admits the action. Cancels, in part, the conclusion no. 59/17.07.2015, issued by the defendant regarding point 10, Decision n 16/11.05.2015 issued by the defendant regarding the measure ruled at point II.12 from the decision, as well as point 3.1.10 of the Control report no. 4371/10.04.2015 issued by the defendant. With right of appeal after 15 days from the communication. Decision 173/ 26.01.2016
29.	4946/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors intervenient General Concrete	Annulment of the measure GENERAL CONCRETE	On the merits	
30.	4964/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department ICCJ	Claimant	Court of Auditors	Annulment of the measure COURT DECISIONS	On the merits	On the merits: Admits the exception of unacceptability of the request count regarding the annulment of point 3.1.7 of the Control Report no. 4371/10.04.2015 invoked by the defendant. Rejects as unacceptable the request count regarding the annulment of point 3.1.7 of the Control Report no. 4371/10.04.2015. rejects as ungrounded the connected actions. With right of appeal after 15 days from the communication . Decision 373/ 09.02.2016
31.	4965/2/2015	Bucharest Court of Appeal 8 th department Fiscal and Administrative Legal Department	Claimant	Court of Auditors	Annulment of the measure MICROSOFT	On the merits	On the merits: Admits the request, in regards to points 1 and 2. Annuls in part the conclusion no. 59/17.07.2015 and the decision no. 16/11.05.2015, in regards to point 11 of the conclusion, respectively the measure from point II.13 of the decision. Rejects as unacceptable the point 3, regarding the partial annulment of the Control Report no. 4371/10.04.2015. With right of appeal after 15 days from the communication . the appeal shall be submitted at CAB – 8 th department. Decision 236/ 28.01.2016
32.	4958/2/2015	Bucharest Court of Appeal 8 th	Claimant	Court of Auditors	Annulment of the measure	On the merits	On the merits: admits the

		department Fiscal and Administrative Legal Department			NON- RESIDENTS		action. Annuls in part the conclusion no. 59/17.07.2015, respectively in regards to the rejection of point VI of the claim no. 6420/28.05.2015, and as a consequence, it annuls the measure taken at point II.8 of the decision no. 16/11.05.2015 to remove the deviation presented at point 3 of the same decision, as well as point 3.1.3 of the control report no. 4371/10.04.2005. With right of appeal after 15 days from the communication , the request for performing the legal remedy following to be submitted at the Bucharest Court of Appeal-8 th fiscal department and Administrative Legal Department. Ruled on March 10 th , 2016	
33.	45487/3/2015	TB S VIII labor	Claimant	Havris Alex Negulici Elena Nicolescu Corina Dina Dumitru Popescu Dragos Ionescu Elena Dinca Suzana Georgescu Magda Nazarevscky Cristina	Prejudice 708.407 RON Labor litigation performing measure provided by CC by report 2012 regarding D&O policies	On the merits		07.05.2016
34.	45494/3/2015	TB S VIII labor	Claimant	Serbanescu Cristian Chiriac Cristina Popescu Ioana Gramma Mioara Chirica Teodor Budulan Pompiliu	Prejudice 708.407 RON Labor litigation performing measure provided by CC by report 2012 regarding D&O policies	On the merits	On the merits: admits the exception of functional non-compliance of the 8 th Department and declines the resolution competency of the cause in favor of the civil departments. Without a legal remedy. No vesting conclusion.	
35.	1367/2/2016	Bucharest Court of Appeal 8 th department, Administrative Legal Department	Claimant	ANAF General Directorate for Claim Resolution General Directorate for Managing Large Contributors	Annulment of management deed Decision 25/29.01.2016			
36.	6874/3/2016*	Bucharest Court of Law	Defendant	Nuclear Agency and	Claims -131.080,08			

SN Nuclearelectrica SA

 Quarterly report of the Board of Directors for the period January 1st – March 31st 2015

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

				Radioactive waste (ANDR)	euro representing contributions according to the GD 1080/2007 point 2010-2012 - contributions 2013-2015 for the difference of energy produced and the one delivered in SEN - penalties 2010-2015 until effective payment			
CNE Cernavoda								
1.	10673/118/2010	Constanța Civil/ Court of Law	Defendant	Sava Marian	Compensations	On the merits	Evacuation of the land corresponding to the thermal energy transportation pipes and payment of compensations. On the merits: rejects the action as ungrounded. Compels the claimant Sava Marian to pay the amount of 27.003,33 RON to the defendant Societatea Nationala Nuclearelectrica S.A., representing trial expenses (legal stamp duty, legal stamp, expert fee). With right of appeal after 15 days from the communication . Decision 603/2016 14.03.2016	
2.	14951/118/2011 (suspended based on art. 36 of the Law 85/2006)	Medgidia Civil/ Court of Law	Claimant	SC Car Construct SRL	Clearing the land the property of SNN SA – concrete platform occupied by SC CAR CONSTRUCT based on the sale-purchase contract concluded with SC CNE SA -	Fond	According to art. 36 of the Law no. 85/2006 (insolvency law): the trial of the case was suspended.	suspended

Appendix 5 – Degree of accomplishment indicators on 31.03.2016 – Board of Directors

No.	Performance objective / Indicators	MU	Q1 2016 target*)	Realized Q1 2016	Degree of accomplishment (%)	Weighting coefficient	Degree of accomplishment of the performance indicators col. 5 * col. 6 (%)
0	1	2	3	4	5	6	7
Improvement indicators regarding the Company's financial performances							
1	Annual turnover (cumulated since the beginning of the year)	RON million	465,00	457,93	98,48%	0,20	19,70%
2	Annual operating profit (cumulated since the beginning of the year)	RON million	30,00	75,98	253,26%	0,20	50,65%
3	Arrears	RON thousand	-	-	100,00%	0,10	10,00%
4	Work productivity (cumulated since the beginning of the year)	RON thousand/person	227,00	226,92	99,97%	0,10	10,00%
5	Operating costs for RON 1000 turnover (cumulated since the beginning of the year)	RON	987,00	826,45	119,43%	0,10	11,94%
Achievement of major investment objectives							
6	Achievement of the annual investment value plan cumulated since the beginning of the year (according to Table 28 and Annual Budgets)	%	7,00%	2,60%	37,14%	0,15	5,57%
Maintaining the production capacity above the average level in the industry							
7	Installed capacity factor (cumulated since the beginning of the year)	%	80,00%	99,37%	124,21%	0,10	12,42%
Operation of nuclear units under nuclear safe conditions for the personnel, population, environment and production assets							
8	No operation event exceeding level 1 on the International Scale of Nuclear Events, relating to the degradation of the in depth defense barriers, impact on location or outside.		0 events above level 1 on the INES scale	0 events above level 1 on the INES scale	100,00%	0,05	5,00%
Degree of accomplishment of the performance indicators						1,00	125,28%

*) Values according to the Budget for 2016, approved by GMS Decision no. 1/30.03.2016