



**QUARTERLY REPORT**  
**OF THE BOARD OF DIRECTORS OF S.N. NUCLEARELECTRICA S.A. (“SNN”)**  
**for the nine months period ended 30 September 2016**

prepared in accordance with the provisions of art. 7.19 and art. 7.21 from the administration contracts of the members  
of the Board of Directors  
and  
the provisions of OUG 109/2011 regarding the corporate governance of public companies

The information and the condensed individual interim 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”

**Date of the report: November 2016**

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## 1. FOREWORD

The quarterly report of the Board of Directors is prepared based on the OUG 109/2011 on the corporate governance of public companies with the subsequent amendments and completions and based on the Administration Contracts concluded between the administrators and the company.

## 2. ANALYSIS OF THE FINANCIAL STATEMENT

The information and condensed individual financial statements presented in this report are unaudited and were prepared according to OMFP no. 1286/2012 for the approval of the Accounting Regulations compliant with International Standards of Financial Reporting, with the subsequent amendments, applicable to the companies whose securities are traded on a regulated market, on the basis of International Accounting Standard 34 – “ Interim Financial Reporting”.

### 2.1. Financial position as at 30.09.2015

The financial position as at 30.09.2016 is presented in **Appendix 1**.

<b>Thousand RON</b>	<b>30 September 2016</b>	<b>31 December 2015</b>	<b>Variation</b>
Non-current assets	7.418.999	7.696.228	-4%
Current assets	1.885.505	1.861.187	1%
<b>Total assets</b>	<b>9.304.504</b>	<b>9.557.415</b>	<b>-3%</b>
Non-current liabilities	1.470.536	1.642.689	-10%
Current liabilities	375.774	421.003	-11%
<b>Total liabilities</b>	<b>1.846.310</b>	<b>2.063.692</b>	<b>-11%</b>
<b>Shareholder's equity</b>	<b>7.458.194</b>	<b>7.493.723</b>	<b>0%</b>
<b>Total equity and liabilities</b>	<b>9.304.504</b>	<b>9.557.415</b>	<b>-3%</b>

The **non-current assets** recorded a slight decrease compared to the level recorded as at 31 December 2015, mainly due to the decrease in the net book value of tangible assets during the nine months period ended on 30 September 2016. The investments made primarily in the projects in progress related to the Units 1 and 2 did not compensated the depreciation expense in the period.

The **current assets** recorded an increase of 1% compared to 31 December 2015, mainly due to increase in cash and cash equivalents by 5% triggered by the collection of trade receivables, which decreased by 29%. Also, compared to the level recorded as at 31 December 2015, the inventories decreased by 2%.

The **non-current liabilities** were reduced by the payments of outstanding bank installments related to the external loans contracted with Societe Generale and Euratom for the execution and commissioning of Cernavoda NPP Unit 2.

As at 30 September 2016, the decrease of 11% in the **current liabilities** is due mainly to the reduction of the trade payables by 39%, partially compensated with the increase in fixed assets suppliers with 34%.

## 2.2. Income statement for the period ended 30.09.2016

During the nine months period ended on 30.09.2016, SNN recorded a net profit of 64.543 thousand RON.

THOUSANDS RON	1 January - 30 September 2016	1 January - 30 September 2015	Variation
<b>Quantity of electricity produced (GWh)</b>	7.589	7.854	-3%
Operating income, out of which:	1.194.443	1.304.898	-8%
<i>Sales of electricity</i>	1.157.741	1.219.931	-5%
Operating expenses	(770.321)	(845.178)	-9%
<b>EBITDA</b>	<b>424.122</b>	<b>459.720</b>	<b>-8%</b>
Depreciation and amortization	(359.949)	(352.396)	2%
<b>EBIT</b>	<b>64.173</b>	<b>107.324</b>	<b>-40%</b>
Net financial income	15.535	52.784	-71%
Income tax expense	(15.165)	(28.919)	-48%
<b>Net profit</b>	<b>64.543</b>	<b>131.189</b>	<b>-51%</b>

The operational profit (EBITDA) decreased by 8% compared to the same period of the previous year, as a result of the following factors:

- The operating income decreased by 8% compared to the same period of the previous year, mainly due to the decrease with 5% in sales of electricity, corroborated with the decrease of the electricity transport fee from 10,32 RON/MWh in January – June 2015, respectively 4,04 RON/MWh starting 1 July 2015 to 1,34 RON/MWh starting with 1 July 2016 according to ANRE Order no. 27/22.06.2016, which lead to a decrease with 64% of electricity transport income. This decrease is compensated by a positive evolution of the same value of operating expenses, related to electricity transportation expense.
- The electricity sales decreased with 5% mainly due to the decrease with 4% of the quantity of electricity sold (approximately 336 thousand MWh), triggered by the extension of the planned outage for Unit 1 in 2016. In 2015, the planned outage of Unit 2 lasted 24,8 days, while the planned outage for Unit 1 in 2016 lasted 51 days.

The quantity of electricity sold in 2016 on the regulated market decreased with 27,22%, while on the competitive market for bilateral contracts increased with 1,84%. The sales price on the regulated market recorded an increase of 2,58%, but could not compensate the decrease in the quantity sold. In the same time, the price of electricity sold on the competitive market for bilateral contracts decreased with 1,33%.

The impact of the decrease in quantity of electricity sold caused by the extension of the planned outage and considering the additional expenses for the nuclear fuel that would have been required for achieving this additional production, is in amount of 52,000 thousand RON, representing unaccomplished operating profit; all the other conditions remain unchanged.

The amortization and depreciation expenses increased slightly with 2% compared to the same period of 2015, due to the put in function of some investments in the period subsequent to Q3 2015.

The company is exposed to exchange risk relating to several currencies among which EUR, CAD and USD. The net exchange rates differences impacted positively the net result of the company, but the evolution of exchange rates in Q3 2015 was more favorable than the evolution in the current period, thus the net financial income decreased with 71% compared to the same period of the previous year.

The income and loss account for the period ended on 30.09.2016 is presented in **Appendix 2**.

### 2.3. Execution of the Budget of revenues and expenses as at 30.09.2016

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

The company is monitored in terms of compliance with the performance indicators, objectives and criteria, the realized level of salary expenses compared to the budgeted amount, revenues and expenses levels, and also with the program for reducing arrears and outstanding receivables.

The execution of the BVC as at 30.09.2016 is presented in **Appendix 3** to the current report.

From the analysis of the execution of the Revenues and Expenses Budget as at 30.09.2016 (**Appendix 3**), it results that budgeted operating revenues were achieved 95,7% and that the operating expenses were with 8,2% below the budgeted level. The realization of the total revenues was of 96,1%, above the realization of the total expenses of 91,2%.

## 3. OPERATIONAL ACTIVITIES

### 3.1. Electricity production

During January – September 2016, the two units of Cernavoda NPP produced a quantity of energy of 8.266.209 MWh (brutto) and delivered to the National Energy System 7.588.901 MWh (the difference, namely 677 thousand MWh, represents internal consumption of the units).

Compared to January – September 2015, when 7.853.647 MWh were produced and delivered to the National Energy System, a decrease of 3,37% was recorded.

The energy production program approved by the Board of Directors of SNN for 2016 considered for January – September 2016, a quantity of produced and delivered energy of 7.342.135 MWh, and was 103,36% accomplished.

In Q3 2016, the two units of Cernavoda NPP produced an amount of energy of 3.035.013 MWh (brutto) and delivered to the National Energy System 2.785.084 MWh (the difference, namely 250 thousand MWh, represents the internal consumption of the units during operation). Compared to Q3 2015, when a quantity of 2.750.939 MWh was produced and delivered to the National Energy System, a decrease of 1,24 % was recorded.

The energy production program approved by the Board of Directors of SNN for 2016 considered for Q3 2016 a quantity of produced and delivered energy of 2.692.248 MWh, was 103,45% accomplished.

During the third quarter there were no unscheduled outages at Cernavoda NPP.

The capacity factors recorded by the Cernavoda NPP Units during Q3 2016, yearly as well as cumulatively since in service (Unit 1 on 2 December 1996 and Unit 2 on 1 November 2007) until 30 September 2016, were:

	July 2016	August 2016	September 2016	Cumulated Year 2016	Cumulated since in service
Unit 1	97,46%	97,55%	97,66%	80,03%	90,31%
Unit 2	97,38%	97,39%	98,05%	98,87%	94,65%

The smaller value of the annual capacity factor of U1 reflects the influence of the 2016 planned outage, which lasted for 1.211 hours.

### 3.2. Electricity sales

The volumes of electricity sold during January – September 2016 and the corresponding income, distributed on sale contract types are presented in the table below:

Electricity sales (volumes, price and values) during January – September 2016

Sale type	Volume in MWh	% total sales	Price (RON / MWh with TG included)	Value (RON)
Regulated contracts	1.206.257	15,83%	166,01	200.245.636
Sales on the competitive market (bilateral contacts and PZU & PI sales), out of which:	6.394.870	83,90%	152,99	978.331.077
- Contract sales (PCCB, PCCB -LE, PCCB -NC and delivery contracts)	3.838.501	50,36%	165,42	634.961.346
- PZU & PI sales	2.556.369	33,54%	134,32	343.369.731
PRE positive imbalance and balancing electricity	20.488	0,27%		1.046.740
<b>Total sales January – September 2016</b>	<b>7.621.615</b>	<b>100%</b>		<b>1.179.623.453</b>

The following results were registered for the electricity transactions during January – September 2016:

- The quantity of energy sold based on regulated contracts and on the spot market (PZU - the Day Ahead Market and PI - the Intraday Market) and on the balancing market is of 7.621.615 MWh, 1,46% over the sales program, of 7.512.010 MWh. The difference between energy sold and energy delivered by CNE Cernavoda represents the energy bought to fully meet the contractual obligations. The needed quantity was bought mainly from the Balancing Market.
- The income on the electricity market, determined for the deliveries in the first nine months of 2016, is of 1.179.623.453 RON (2,82% lower compared to the value considered in the initial BVC approved for 2016, and 8% lower compared to the same period of last year).

The average weighted sales price for the electricity sold (except the balancing market), achieved in the first nine months of 2016, is 155,05 RON/MWh (including TG). In the first nine months of 2015, the average weighted price was 161,5 RON/MWh.

In the first nine months of 2016, the PZU prices were on average lower than the prices on bilateral contracts concluded by SNN, particularly between February – August 2016. The average PZU price published by OPCOM recorded in the first nine months of 2016 decreased with 12,4% compared to the same period of the previous year, while the average PZU price realized by SNN in this period decreased with 2,79% compared to the same period of the previous year. Thus, SNN recorded a smaller decrease in PZU prices than the decrease recorded on the market.

The electricity sales of SNN were realized, as in the previous period, based on regulated contracts, competitive market contracts – awarded on PCCB, PCCB -LE, PCCB -NC, PCSU, plus a negotiated supply contract with C.N.T.E.E. Transelectrica SA, as well as through spot market transactions (PZU and PI).

Out of the delivered production of Cernavoda NPP in the first three quarters of 2016, 21,1% was delivered based on regulated contracts.

The quantities of electricity sold on the competitive market (bilateral contracts) represented 66,54% of the total volume of the electricity sold in the first three quarters of 2016. The average sale price of the bilateral contracts was 165,42

RON/MWh (including T<sub>G</sub>), recording a decrease of 1,27% compared to the average price recorded in January – September of 2015, in value of 163,34 RON/MWh.

During January – September 2016, SNN concluded 151 electricity sale contracts, as follows:

- 6 regulated contracts (with addendums for 2016);
- 1 contracts concluded on PCCB;
- 115 contracts concluded on PCCB-LE;
- 23 contracts concluded on PCCB-NC;
- 5 contracts concluded on PCSU;
- 1 supply contract (with an addendum concluded for 2016).

By the end of September, in 2016 there were no cases of withdrawal / termination of contracts.

On the spot market, between January – September, a quantity of electricity representing 33,54% of the total volume of sales was sold, compared to a 12,21% recorded in the same period of 2015. The average selling price of electricity on the spot market achieved by SNN during this period was 134,32 RON/MWh, compared to 142,53 RON/MWh registered in the similar period of 2014.

No significant delays have been reported compared to the deadlines stipulated in contracts during 2016.

The quantities of electricity sold in the third quarter of 2016 and the corresponding income, split on types of contracts are presented in the table below:

#### **Electricity sales (volumes, price and value) in the third quarter of 2016**

<b>Sale type</b>	<b>Volume in MWh</b>	<b>% total sales</b>	<b>Price (RON / MWh with TG included)</b>	<b>Value (RON)</b>
Regulated contracts	339.786	12,15%	164,02	55.732.597
Sales on the free market (bilateral contacts and PZU & PI sales), out of which:	2.448.927	87,59%	155,70	381.308.109
- Contract sales (PCCB, PCCB-LE, PCCB-NC and delivery contracts)	1.434.203	51,30%	162,99	233.766.721
- PZU & PI sales	1.014.724	36,29%	145,40	147.541.388
PRE positive imbalance and balancing electricity	7.196	0,26%		578.492
<b>Total sales January – September 2015</b>	<b>2.795.909</b>	<b>100%</b>		<b>437.619.198</b>

The following results were registered for the electricity transactions of the third quarter of 2016:

- The quantity of electricity sold on contracts, on the spot market (PZU - the Day Ahead Market and PI - the Intraday Market) and on the balancing market is 2.795.909 MWh, with 1,5% below the sales program of 2.754.576 MWh.

- The income recorded on the electricity market, determined for the 3rd quarter of 2016 is of 437.619.198 RON, 2,46% lower than the value of the BVC income approved for this period of 2016, and 0,35% lower than the execution of the same period of the last year.

The average weighted price for the electricity sold (except the balancing market), resulted in the 3rd quarter of 2016, is 156,72 RON/MWh (including TG). During the 3rd quarter of 2015, the average weighted price was 159,25 RON/MWh.

During the 3<sup>rd</sup> quarter of 2016, the weighted average price of the contracts concluded by SNN on the centralised markets was inferior to the one recorded in the regulated contracts. Compared to the average weighted price of the contracts in the third quarter, of 164,02 RON / MWh, the competitive market contract prices (wholesale market) were 1,03 RON/MWh lower. In the third quarter 2016, PZU prices realized by SNN were on average below the prices of the contracts concluded by SNN, and associated with relatively high volumes sold on this market segment. The average PZU price published by OPCOM recorded in the 3<sup>rd</sup> quarter of 2016 decreased with 20,22% compared to the same period of the previous year, while the average PZU price realized by SNN in this period decreased with 18,38% compared to the same period of the previous year. Thus, SNN recorded a smaller decrease in PZU prices than the decrease recorded on the market.

The SNN electricity sales were realized based on regulated contracts, contracts concluded on the competitive market – awarded on PCCB, PCCB-LE, PCCB-NC, PCSU, plus a negotiated supply contract concluded with C.N.T.E.E. Transelectrica S.A., as well as based on transactions on the spot market (PZU and PI).

Out of the delivered production of Cernavoda NPP during the 3<sup>rd</sup> quarter of 2015, 12,15% was delivered on regulated contracts.

The quantities of electricity sold on the competitive market (bilateral contracts) represented 51,30% during the 3<sup>rd</sup> quarter of 2016 out of the total volume of the sold electricity. The average price for the bilateral contracts concluded on the 3rd quarter of 2016 was 162,99 RON/MWh (T<sub>G</sub> included), recording an increase of 3,54% compared to the average price recorded during the 3rd quarter of 2015, of 157,41 RON/MWh.

Starting with 1<sup>st</sup> July 2016, ANRE Order 27/22.06.2016 established the TG tariff from Dobrogea area to be 1,34 RON/MWh (compared to the previous tariff of 4,04 RON/MWh), and according to ANRE Order no. 33/19.07.2016 this was reflected in the electricity sales contracts concluded before 1<sup>st</sup> July 2016 through a decrease in the selling price with 2,7 RON/MWh, starting with 1<sup>st</sup> of July for regulated contracts and 25<sup>th</sup> of July for wholesale contracts on competitive market.

During the 3rd quarter of 2016, SNN concluded 66 electricity sale contracts, as follows:

- 6 regulated contracts (with addendums concluded for 2016);
- 35 concluded contracts on PCCB-LE;
- 21 concluded contracts on PCCB-NC;
- 3 concluded contracts on PCSU;
- 1 supply contract (with an addendum concluded for 2016).

During the third quarter of 2016 there were no termination / annulment of contracts.

On the spot market, during the 3<sup>rd</sup> quarter of 2016, a quantity of electricity representing 36,29% of the total sale volumes was sold, compared to the quota of 3,53% registered in the 3<sup>rd</sup> quarter of 2015. The average selling price on the spot market achieved by SNN during this period was 145,40 RON/MWh (T<sub>G</sub> included), compared to 178,15 RON/MWh, registered during the same period of 2015.



### 3.3. Expenses on the electricity market

In the first three quarters of 2016 the total value of the expenses on the electricity market of SNN is of 31.106.256 RON.

From this amount, the expenses for the introduction of electricity in the transport network (corresponding to TG – the regulated tariff which is paid to C.N.T.E.E. Transelectrica S.A.), green certificates and the fees charged by OPCOM for the sale-purchase transactions are amounting to 23.625.026 RON.

In this period, some expenses were also performed for the purchase of electricity from the spot market in order to ensure the complete fulfillment of the electricity delivery contractual obligations. An electricity quantity of 374 MWh was bought at an average price of 131,34 RON/MWh.

In the period January – September 2016, the expenses on the Balancing Market amounted to 7.364.943 RON. This amount represents the counter value of the electricity received from the Balancing Market to compensate the negative imbalances which occurred because of the differences between the electricity amounts actually delivered and the amounts notified on the market according as per the contractual obligations for each time frame. The main impact is recorded in the months with unplanned outages at Cernavoda NPP U1.

In the third quarter of 2016, the total amount of the expenditures on the electricity market of SNN is 6.142.270 RON.

From this amount, the expenses for the introduction of electricity in the transport network (corresponding to TG – to the regulated tariff that is paid to C.N.T.E.E. Transelectrica S.A and of the fees charged by OPCOM for the transactions of sale-purchase in the third quarter are amounting to 3.884.253 RON.

In the third quarter of 2016, expenditures were also made for the purchase of electricity from the spot market in order to ensure the complete fulfillment of the contractual obligations for electricity delivery. The purchased amount of electricity was of 210 MWh at an average price of 110,36 RON / MWh.

In the third quarter of 2015, the expenses on the Balancing Market amounted to 2.167.597 RON.

### 3.4. Investment program for the third quarter of 2016

The total amount of the investment program of SNN for 2016 is 255.394 thousand RON, approved through GMS Resolution no 1/30.03.2016. The investment program of the company is part of the Budget of revenues and expenses of SNN.

The structure of the SNN's investment program for 2016, as well as the level of completion as at 30.09.2016, is presented in the table below:

Nr. crt.	Organizational structure	Ongoing investments [ths RON]	New investments [ths RON]	Investment in tangible assets (modernizations) [ths RON]	Equipment [ths RON]	Total [ths RON]	Level of completion as at 30.09.2016 (%)
1	SNN Head Office	12.512	9.879	0	635	23.026	0,18%
2	Cernavoda NPP	162.250	8.472	933	41.555	213.210	45,94%
3	FCN Pitesti	3.082	274	5.944	9.859	19.159	5,04%
	<b>TOTAL</b>	<b>177.844</b>	<b>18.625</b>	<b>6.877</b>	<b>52.049</b>	<b>255.394</b>	<b>38,75%</b>

As in the previous years, the largest weight in the investments program represents long term investment (investments in progress). This is due to the modernization/ refurbishment necessities of some systems, economical reasons (decrease in specific consumptions, improvement of certain parameters specific to related processes, with positive impact over efficiency), legal reasons – the necessity of implementing improvements related to nuclear security, environment protection representing imperative requirements from the authorities (e.g. CNCAN, Environment Ministry), and also to respond to development necessities.

The comparative situation of the completed investments (value and percentage) for 2016 compared to 2015 at the end of the third quarter is presented in the table below:

Year	Value of the investment program [ths RON]	Achieved in the third quarter [ths RON]	Completion stage for the third quarter (%)	Achieved in 01.01.-30.09.2016 [ths RON]	Level of completion at 30.09.2016 (%)
2016	255.394	21.435	8,39%	98.959	38,75%
2015	282.705	36.565	12,93%	94.642	33,48%

### *Analysis of the level of completion of the investment program as at 30 September 2016*

#### **SNN Head Office**

The investment program of SNN Head Office is amounting to 23.026 thousand RON, and among the most important investments included in the investment program of SNN Head Office we mention:

- *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 continuation strategy of the Project Cernavoda NPP Units 3 and 4. By the SNN EGMS Resolution no. 8/17.10.2016 was approved the continuation of negotiations on the Investment Documents in the same conditions as the Agreement Memorandum regarding the development, building, operation and decommissioning of Units 3 and 4 from CNE Cernavoda (“MoU”), until December 20th, 2016, by applying all the other provisions of the MoU. In this context, the SNN contribution to creating the new project company shall not be done until the end of 2016;
- *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; During April 2016, the management approved the strategic directions of IT&C development (Information Technology and Communication) at company level. Among the goals included in the approved strategy, *Security project for the informatics and communications systems* and *Implementing software applications* projects are included, these being part of one single project called *Modernization and integration of informational flow at SNN level*;
- *Consolidation of the headquarter in Magheru Office*, in the amount of 2.100 thousand RON Land registry was opened for the two undivided units (floor 5 and floor 6) and it was tabulated the related land incumbent to SNN of 239,5 sqm; the effective investment was not started, as the building has several co-owners.

#### **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 30.09.2016 is of 45,94%.

The total value of the major investment objectives, namely 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, respectively 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 level of completion of the major investment at the end of the 3rd quarter 2016, compared to the investments program of the company is of 11%, according to the table below:

Project code	Project name/ Investment objective	2015		Level of completion (%)
		Planned BVC [ths RON]	Achieved at 30.09.2016 [ths RON]	
PJ-05-016	Intermediate storage of spent fuel (including SICA U2)	17.420	4.539	26,05%
PJ-04-001	Upgrading and expansion of the physical protection system	5.000	10	0,20%
PJ-11-006	Improvement of the Cernavoda NPP's response, namely the improvement of the nuclear safety functions in case of events beyond the design base as a consequence of the nuclear accident that occurred at the Fukushima 1 Nuclear Power Plant, Japan	31.304	1.362	4,35%
	<b>Total</b>	<b>53.724</b>	<b>5.911</b>	<b>11,00%</b>

General Meeting of Shareholders of SNN approved on 25.04.2016 the update of Appendix 1 and 1.1. from the administration contracts concluded between the administrators and the company, where the target level of completion for major investments is of 50%. Thus, the level of achievement of the target is of 22%.

The main reasons for achieving a completion level for the major investments under the target of 50% are:

- extension of the acquisition procedure for "C+M works for module 8" for the project "Intermediate storage of spent fuel (including SICA U2)", caused by change in regulations for acquisitions field which imposed that documentation related to this process to be remade;
- delays in obtaining notices/agreements/authorizations for preparing Unit 5 for the project "Upgrading and expansion of the physical protection system". Starting the activities depends on obtaining the Industrial Security Certificate. The legal term for obtaining it is of 90 days, thus the execution works will be transferred to 2017.

### FCN 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 equipments, installations and of other existing tangible assets. Among the investments with 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 finite product quality – 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 30.09.2016 for FCN Pitesti Branch, was of 5.04 %.

The following investments objectives were completed, during the period January-September 2015:

- *Modernization of the fuels bundles fabrication line, in order to optimize the fabrication flow and the improvement of the finite product quality*
  - the acquisition procedure was initiated for Miniautoclava equipment;
  - the tender book was drafted and is ongoing to be approved, for the Automated systems for isocynetic collection of powder emissions and gas from the dispersion chimneys.
- *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, were obtained in January;
  - in March 2016, the contract for the work executions was concluded and in April their initiation order was given. During the 3<sup>rd</sup> quarter, the mounting works were finished, the necessary samples and tests for the operation were performed and the final acceptance of the work was realized.
- *The integrated informatics system for the management of the nuclear production fuel (SIMP) – the revised feasibility study was approved; the work performance is postponed for 2017.*

Regarding the equipment, in February, respectively March, were signed the contracts for the delivery, mounting and operation of two important installations ‘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 from signing the contracts.

The contract for performing „Overhaul of the Harper 2 sintering furnace” was signed during September and the works are estimated to be finished in 2017.

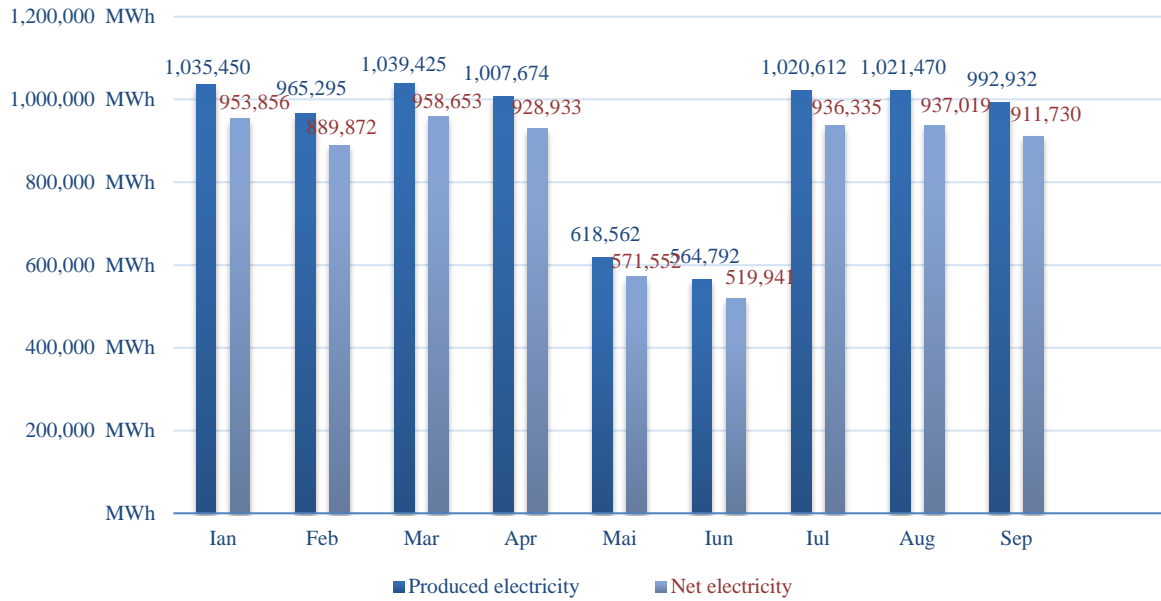
### **3.5. Activity of the Cernavoda NPP branch**

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

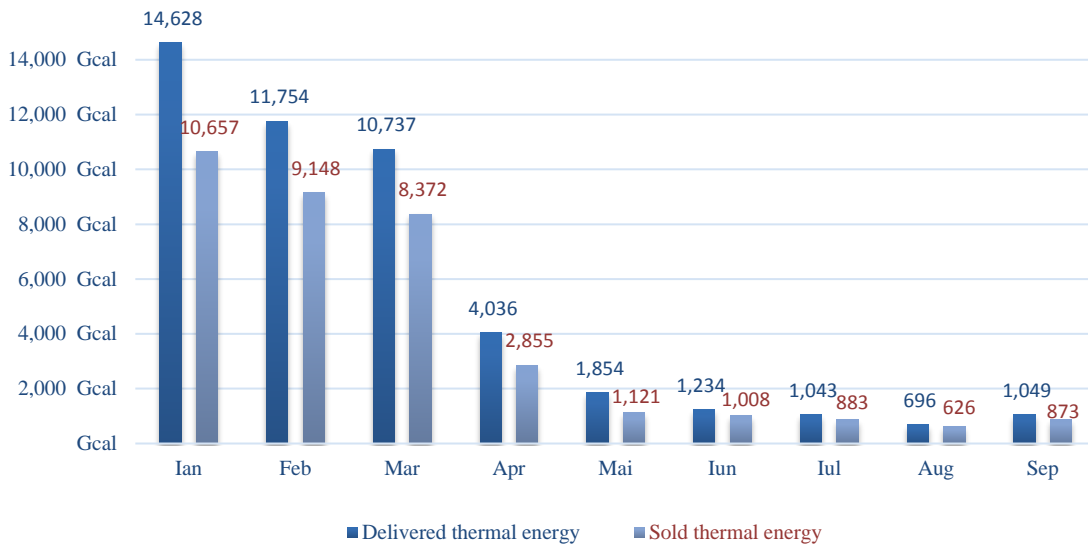
During January-September 2016, there were no operation events exceeding level 1 on the international nuclear events scale, regarding the degradation of the in depth barriers, with impact on or off site (indicator 1).

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

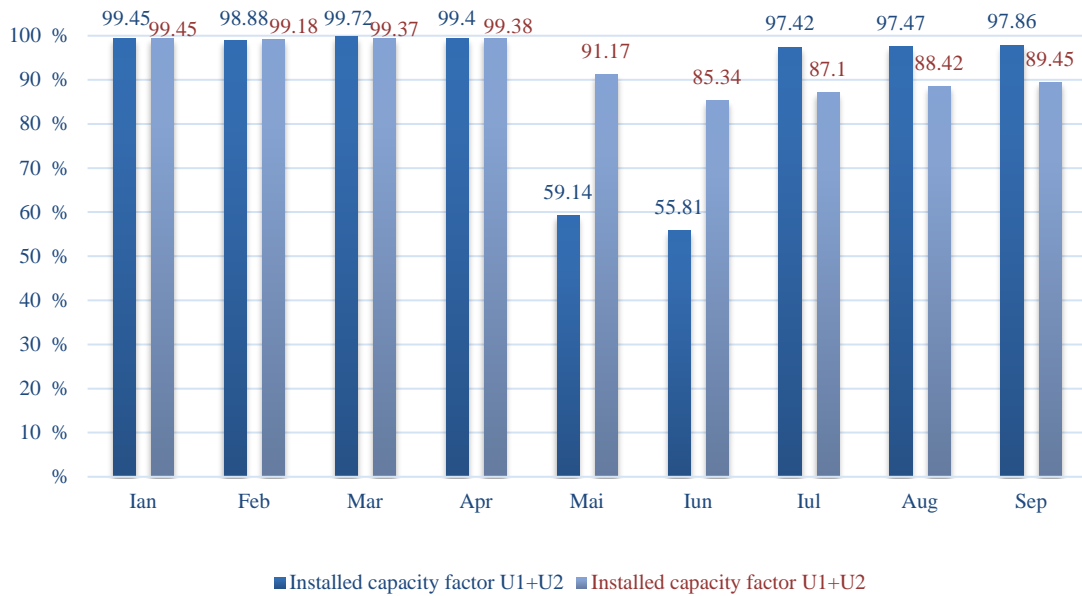
**Produced/net electricity U1 + U2 (MWh)**  
**(Produced electricity: 8.266.209 MWh/ Net electricity: 7.607.891 MWh)**  
**(cumulated technological consumption 3rd Q 2016: 8,04%)**



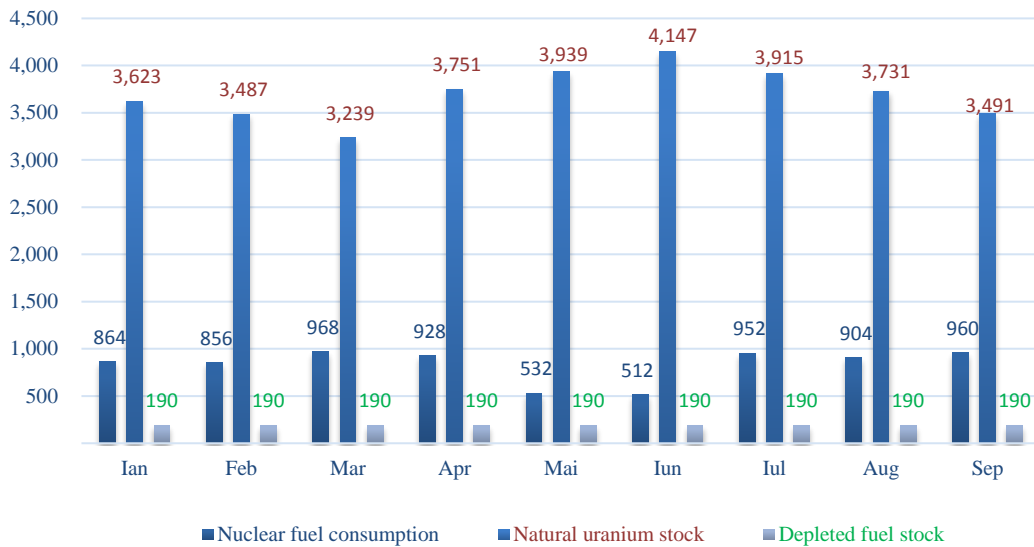
**Thermal power delivered / sold to the district heating system (Gcal)**  
**(Delivered thermal power: 47.031 Gcal / Sold thermal power: 35.541 Gcal)**



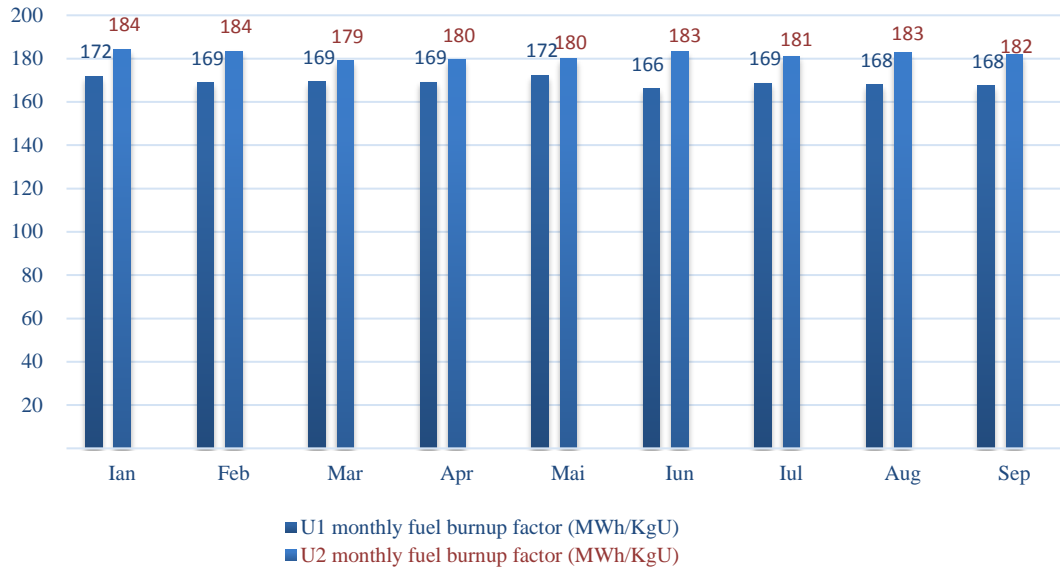
**Installed capacity factor U1 + U2 (%)**  
**(Cumulated 3rd Q 2016: 89,45%)**



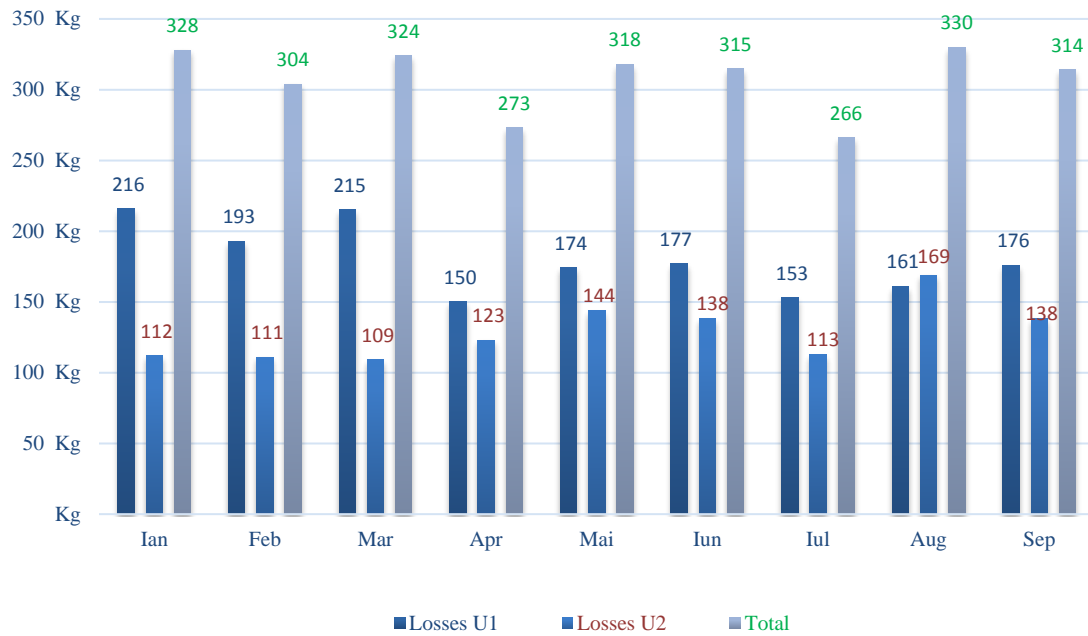
**U1 + U2 fuel consumption / Fuel inventory (bundles)**  
**(Cumulated consumption 3rd Q 2016: 7.476)**



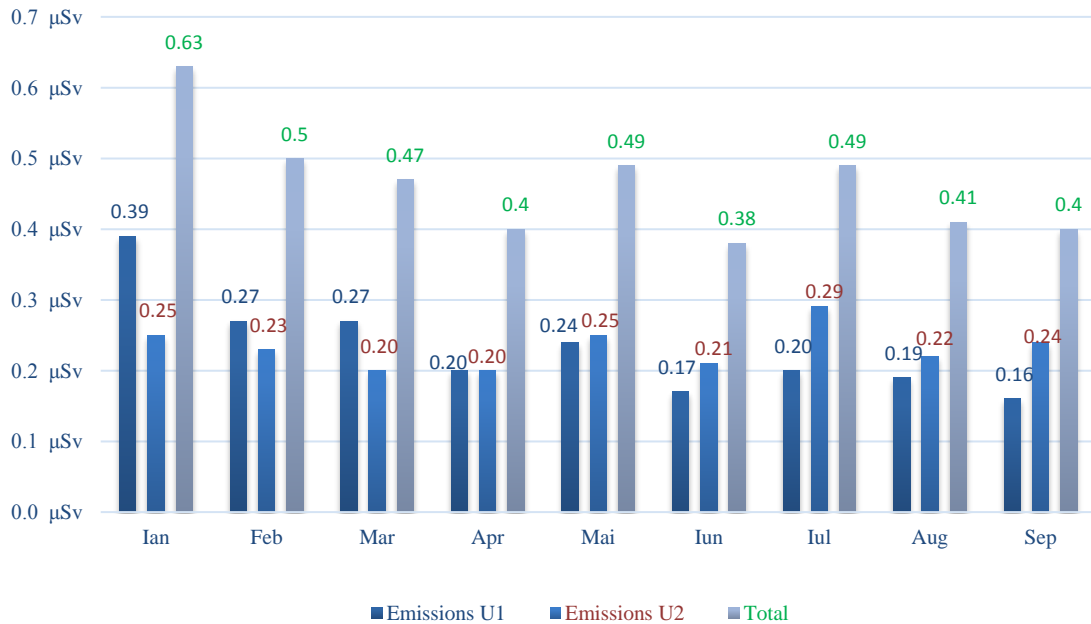
**Fuel burnup factor (MWh/KgU)**  
**(Cumulated 3rd Q 2016: 175,41 / Stipulated in the project: min. 156,00)**



**Heavy water losses U1+U2 (Kg)**  
**(Cumulated 3rd Q 2016: 2.772 / Stipulated: max. 6.800)**



**U1 + U2 radioactive emissions to the environment (μSv)**  
**(Total 3rd Q 2016: 4,18/annual limit: 7,5)**



**3.6. Activity of FCN Pitesti Branch**

During the period January-September 2016, a number of 7.500 of nuclear fuel bundles were manufactured by FCN, controlled and accepted, complying with the specifications, as per the manufacturing plan (January-September 2016 : 8.788 fuel bundles). Therefore, during the 1st Q of 2016, 2.012 nuclear fuel bundles were controlled and accepted (Q1 2015: 3.600 nuclear fuel bundles), during the 2nd Q of 2016 2.935 nuclear fuel bundles were controlled and accepted (Q2 2015: 2.477 nuclear fuel bundles) and during the 3rd Q 2.553 nuclear fuel bundles were controlled and accepted (Q3 2015: 2.711 nuclear fuel bundles), all according to specifications.

During January-September 2016, FCN delivered to CNE Cernavoda the amount of 7.200 nuclear fuel bundles (January – September 2015: 7.920 nuclear fuel bundles), complying with the agreed upon delivery graphic: 2.160 nuclear fuel bundles delivered during the 1st Q (2.160 nuclear fuel bundles in Q1 2015), 2.880 nuclear fuel bundles delivered during the 2nd Q of 2016 (2.880 nuclear fuel bundles in Q2 2015) and respectively 2.160 nuclear fuel bundles delivered during the 3rd Q (2.880 nuclear fuel bundles in Q3 2015).

During the 3rd quarter of 2016, sinthered uranium dioxide powder was consumed supplied from import, from the CAMECO Inc Canada provider.

The average import price for uranium in the uranium dioxide sinthered powder consumed during 3rd Q of 2016 was 470,28 lei/kgU in UO<sub>2</sub>, the equivalent of the import price in USD. During January-September 2015 the price of sinthered uranium dioxide powder was of 475 lei/kg.



## **4. OTHER SIGNIFICANT ASPECTS**

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

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

- On November 9th, 2015 the Memorandum of Understanding regarding the development, construction, operation and decommissioning of Units 3 and 4 from CNE Cernavoda ('MoU') between SNN China General Nuclear Corporation (CGN) was signed;
- On 23.11.2015, the Negotiation commission sent to CGN the initial versions of the Investor's agreement and Articles of incorporation of the future project company ('JVCo');
- On January 19th, 2016, the Romanian Government issued the Support Letter for the Cernavoda NPP Units 3 and 4 Project;
- During February – April 2016, intensive rounds of negotiations were developed for the investment documents, respectively the Investor's Agreement and Articles of Incorporation of the future project company.
- On May 16th, 2016, the Inter-Ministry commission for the Project Units 3 and 4 CNE Cernavoda, incorporated by the Prime-Minister's Decision no. 254/21.08.2014, with subsequent amendments and additions, approved the continuation of negotiations on the Investment Documents („DI") under the same conditions of the Memorandum of Understanding regarding the development, construction, operation and decommissioning of Units 3 and 4 from CNE Cernavoda (MoU), for a period of 4 months, starting May 9th, 2016, by applying all the other provisions of MoU, including the possibility of any party to terminate the MoU without any compensation by a simple written notification to the other Party, in case an agreement wasn't reached on the Investment Documents and as the delay was not caused by the respective Party. The continuation of negotiations with CGN was approved by the Romanian Government on June 2nd, 2016, and by the GEMS of SNN on July 18th, 2016.
- During the periods May 11-26th, 2016, and respectively June 14th, 2016 – June 30th, 2016, intensive negotiations were developed, the parties presenting their stand before the key aspects of the Investors' Agreement.
- During the period August 29th – September 8th, 2016, most of the subjects remained under divergence were discussed and agreed upon in principle, being necessary to redraft the clauses from the Investment Documents, according to the discussions carried.
- As per the SNN EGMS Resolution no. 8/17.10.2016 the continuation of negotiations on the Investments' Documents under the same conditions of the MoU regarding the development, construction, operation and decommissioning of Units 3 and 4 from CNE Cernavoda ("MoU") was approved, until December 20th, 2016, by applying all the other provisions of MoU.

### **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 Decision no. 8/6.10.2014 which approved the increase of the share capital of SNN with input in cash in the total maximum amount of 239.172.630 lei, by issuing a maximum number of 23.917.263 shares representing equity in kind of the Romanian state, following the certification for the property right on the land, undivided quota of 239,05 sqm from Bd.Gheorghe Magheru no. 33 Bucharest and input in cash representing the amount of budgetary allowances for the period 2006-2009 for Unit 2 from Cernavoda.

The case is the object of file no. 40046/3/2014, the following term being established by the court of law for 14.11 2016 for the intervener, the Ministry of Energy, can submit statements and documents.

### **4.3. The litigation initiated by Greenpeace CEE Romana Foundation and Bankwatch Romania Association against the Ministry of Environment, Waters and Forests, the Government of Romania and SN Nuclearelectrica SA**

The Greenpeace CEE Romana Foundation and Bankwatch Romania Association filled a summoning to court in the file no. 3793/2/2013 against the Ministry of Environment, Waters and Forests, the Government of Romania and SN Nuclearelectrica SA with the subject of annulling the decision to issue the Environment Agreement and GD 737/2013 regarding the issuance of the Environment Agreement for the project “The continuation of the construction and completion works on Cernavoda NPP Units 3 and 4”.

The Bucharest Court of Appeal rejected the claim, on the merits of the case. Greenpeace CEE Romana Foundation and Bankwatch Romania Association filled an appeal, requesting the cassation of the initial ruling and the retrial of the case, by administering an experts’ examination .

The High Court of Cassation and Justice solved the applea by the ruling 2100 on 23.06.2016 and ordered the admittance of the appeal filled by Greenpeace CEE Romana Foundation and Bankwatch Romania Association against the sentence no. 1436 from May 9th, 2014 of the Bucharest Court of Appeal – Division VIII legal, administrative, fiscal, the cassation of the ruling and the dispatch to trial of the case at the same court. The Bucharest Court of Appeal will set the retrial date on the merits of the case.

### **4.4. The procurement of sintered uranium dioxide powder**

In January 2016, SNN concluded with Cameco Inc. a short term contract for the procurement of 120 tons of natural uranium as UO<sub>2</sub> sintered powder, by means of a competition between the two qualified suppliers of SNN, namely CNU and Cameco Inc. Cameco Inc. offered a significantly lower price than the other competitor, respectively 518 lei/kg U in UO<sub>2</sub> (RON equivalent of USD price).

In April 2016, SNN initiated a qualification process of new uranium dioxide sintered powder suppliers on the international market, by publishing an announcement on the company’s website and in the Financial Times. Only one company participated in the qualification process. Following the evaluation performed by SNN specialists, the respective company did not meet the technical qualification criteria. Under these circumstances, SNN restarted the qualification process, the deadline for submitting letters of interest being 15.09.2016. In the second qualification process, only one company participated, which did not meet the technical qualification criteria.

On 04.07.2016, Cameco Inc. was declared winner of the second procurement procedure of 120 tons of natural uranium as UO<sub>2</sub> sintered powder, having the lowest price, namely 429,47 lei/kg U in UO<sub>2</sub> (RON equivalent of the USD price). Two offers were received for the procurement of uranium powder, from Cameco and from CNU, the price offered by Cameco being significantly lower than the price offered by CNU.

Also, on 04.0.2016, CNU was declared the winner of the procurement procedure for processing services of a quantity of 21 tons of non-compliant material containing natural uranium in order to recover the uranium as UO<sub>2</sub> sintered uranium powder, as per the technical specifications.

We mention that the above mentioned procurement procedures, respectively the procurement of 120 tons of natural uranium as UO<sub>2</sub> powder and the procurement of processing services for 21 tons of non-compliant material were carried out simultaneously, within the same procurement procedure as two distinct lots. Offers were requested from both the qualified suppliers of SNN (Cameco and CNU). In the case of the second lot, regarding the processing services for non-compliant material, until the deadline established for submitting the offers, only CNU submitted an offer, with the total price of 4.090 thousand lei without VAT.

#### 4.5. Major litigations

The situation of the major litigations (above 500 thousand lei) and the of those with a monetary equivalent ongoing at 30.09.2016 is presented in Appendix 4.

### 5. MAIN ECONOMIC FINANCIAL INDICATORS ON 30.09.2016

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

Indicator <sup>**)</sup>	Formula	M.U.	Result on 30.09.2016
<b>1. The current liquidity ratio</b>	Current assets / Current liabilities	x	5,02
<b>2. The indebtedness ratio</b>			
2.1. The indebtedness indicator (1)	Long term liabilities / shareholder's Equity x 100	%	18,03%
2.1. The indebtedness indicator (2)	Long term liabilities/ Capital employed x 100	%	15,27%
<b>3. Receivables turnover ratio</b>	Average accounts receivable/ turnover x 180	days	24
<b>4. Non-current assets turnover <sup>**)</sup></b>	Turnover/ Non-current assets	x	0,21

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

*\*\*\*) Non-current assets turnover is calculated by analyzing the quarterly turnover (360 days/270days)*

## **6. DEGREE OF ACCOMPLISHMENT OF THE PERFORMANCE INDICATORS**

The performance indicators were calculated based on the SNN BCV approved by the General Meeting of Shareholders Decision no. 1/30.03.2016, as well as based on Appendixes 1 and 1.1. to the administration contracts concluded between the administrators and the company, updated by the GMS Decision no. 3/25.04.2016, consisting in the level of performance indicators and criteria for 2016.

The indicators were complied with in a proportion of over 100% during the third quarter of 2016, as it results from Annex 5 (the compliance degree being in a proportion of 108,15%).

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 III of 2016 (108,21% the general manager and the financial manager).

Starting 19.02.2016, the mandate contract of CNE Cernavoda Branch Manager, which provides his performance indicators as well was suspended, and starting 08.04.2016, following the resignation of the CNE Cernavoda Branch Manager, this mandate contract was terminated and no new manager for CNE Cernavoda Branch was appointed, with a mandate contract.

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

## Appendix 1 – Financial position as at 30.09.2016

	<b>30 September 2016</b> <b>(unaudited)</b>	<b>31 December 2015</b> <b>(audited)</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7.192.830.072	7.474.555.551
Intangible assets	84.480.030	79.982.771
Financial instruments	141.689.201	141.689.201
<b>Total non-current assets</b>	<b>7.418.999.303</b>	<b>7.696.227.523</b>
<b>Current assets</b>		
Inventories	317.418.949	323.222.947
Income tax receivable	-	1.173.730
Trade and other receivables	116.558.581	163.499.181
Prepayments	18.310.689	12.072.918
Bank deposits	1.122.965.403	1.103.841.528
Cash and cash equivalents	310.250.895	257.376.819
<b>Total current assets</b>	<b>1.885.504.517</b>	<b>1.861.187.123</b>
<b>Total assets</b>	<b>9.304.503.820</b>	<b>9.557.414.646</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
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	272.674.104	293.329.577
Retained earnings	3.921.851.335	3.936.724.775
<b>Total shareholder's equity</b>	<b>7.458.194.378</b>	<b>7.493.723.291</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term borrowings	1.124.067.876	1.279.606.054
Deferred income	147.032.781	157.791.277
Deferred tax liability	166.769.227	173.496.018
Employee's benefits	32.666.545	31.796.021
<b>Total non-current liabilities</b>	<b>1.470.536.429</b>	<b>1.642.689.370</b>
<b>Current liabilities</b>		
Accounts payable and other liabilities	147.824.098	197.281.806
Current tax liability	39.428	-
Deferred income	7.520.425	21.671.875
Current portion of long term borrowings	220.389.062	202.048.304
<b>Total current liabilities</b>	<b>375.773.013</b>	<b>421.001.985</b>
<b>Total liabilities</b>	<b>1.846.309.442</b>	<b>2.063.691.355</b>
<b>Total equity and liabilities</b>	<b>9.304.503.820</b>	<b>9.557.414.646</b>

**Appendix 2 – Profit and loss account for the period ended as at 30.09.2016**

	<b>9 months period ended on 30 September 2016 (unaudited)</b>	<b>9 months period ended on 30 September 2015 (unaudited)</b>
<b>Revenues</b>		
Sales of electricity	1.157.741.328	1.219.931.282
Electricity transmission revenues	23.138.456	63.769.851
<b>Total revenues</b>	<b>1.180.879.784</b>	<b>1.283.701.133</b>
Other income	13.563.144	21.196.479
<b>Operating expenses</b>		
Depreciation and amortization	(359.948.779)	(352.395.758)
Personnel expenses	(217.372.478)	(213.519.462)
Cost of traded electricity	(7.413.997)	(24.125.915)
Repairs and maintenance	(100.934.141)	(102.873.675)
Electricity transmission expenses	(23.138.456)	(63.769.851)
Costs with spare parts	(19.503.101)	(16.120.096)
Cost of uranium fuel	(110.585.580)	(105.737.340)
Other operating expenses	(291.373.417)	(319.031.863)
<b>Total operating expenses</b>	<b>(1.130.269.949)</b>	<b>(1.197.573.960)</b>
<b>Operating result</b>	<b>64.172.979</b>	<b>107.323.652</b>
Finance cost	(68.159.701)	(80.746.334)
Finance income	83.694.403	133.530.618
<b>Net finance income (expenses)</b>	<b>15.534.702</b>	<b>52.784.284</b>
<b>Profit before income tax</b>	<b>79.707.681</b>	<b>160.107.936</b>
Net income tax expenses	(15.164.564)	(28.918.760)
<b>Profit for the period</b>	<b>64.543.117</b>	<b>131.189.176</b>

## Appendix 3 – Execution of Budget of revenues and expenses as at 30.09.2016

		INDICATORS	Row No.	Budgeted III quarter 2016	Actual III quarter 2016	%
0	1	2	3	4	5	6=5/4
<b>I.</b>		<b>TOTAL REVENUES</b>	<b>1</b>	<b>1.329.319</b>	<b>1.276.910</b>	<b>96,1%</b>
	1	Total operating revenues	2	1.247.239	1.193.216	95,7%
	2	Financial income	3	82.080	83.694	102,0%
	3	Extraordinary income	4	-	-	0,0%
<b>II</b>		<b>TOTAL EXPENSES (ln.5=ln5+ln.17+ln.18)</b>	<b>5</b>	<b>1.312.467</b>	<b>1.197.203</b>	<b>91,2%</b>
	1	Operating expenses	6	1.229.735	1.129.043	91,8%
		A. Expenses for goods and services	7	503.975	414.592	82,3%
		B Expenses with taxes, duties and similar payments	8	113.699	119.590	105,2%
		C. Personnel costs, of which:	9	234.610	223.464	95,2%
	C0	Personnel expenses	10	175.361	168.322	96,0%
	C1	Salaries	11	160.724	157.758	98,2%
	C2	Bonuses	12	14.637	10.565	72,2%
	C3	Other personnel expenses, of which:	13	776	746	96,1%
	C4	Expenses related to mandate contracts and other managing and control entities, commissions and committees	14	3.122	2.252	72,1%
	C5	Social security expenses, special funds and other legal obligations	15	55.351	52.144	94,2%
		D. Other operating costs	16	377.451	371.396	98,4%
	2	Finance expenses	17	82.732	68.160	82,4%
	3	Extraordinary expenses	18	-	-	0%
<b>III</b>		<b>GROSS RESULT</b>	<b>19</b>	<b>16.852</b>	<b>79.708</b>	<b>473,0%</b>
<b>IV</b>		<b>INCOME TAX</b>	<b>20</b>	<b>10.309</b>	<b>15.165</b>	<b>147,1%</b>
<b>V</b>		<b>PROFIT AFTER INCOME TAX</b>	<b>21</b>	<b>6.543</b>	<b>64.543</b>	<b>986,5%</b>

**Appendix 4 – SNN current major litigations at 30.09.2016 (over 500 thousand RON), and of those which cannot be monetary valued**

No.	File number	Court of Law	SNN position	Opponent	Object / Value	Current process stage	Previous process stages	Process stage term Hearing
<b>SNN Head Office</b>								
1.	3868/118/2012	Constanta Court of Law	Creditor	PROCONEX UNIVERSAL S.R.L.	Bankruptcy, individual proceedings receivables accepted, 3.369.886,85 lei	On the roll	<b>ongoing procedure</b>	12.12.2016
2.	27406/3/2012	High Court of Cassation and Justice  CAB retrial	Claimant	Tinmar Ind S.A.	Delay penalties for invoice payment and tariff difference for energy transport and legal interest 1.286.326,78 lei and 18.345,23 lei court expenses	Appeal re-judgment	<p><u>Trial on the merits of the case (Bucharest Court of Law):</u> Partially admits the request of SNN – Tinmar Ind S.A. has the obligation to pay the amount of 1.230.780,39 lei representing delay penalties. Obliges the respondent to pay to SNN the amount of 16.423,80 lei court expenses</p> <p><u>In appeal (Bucharest Appeal Court):</u> accepts the appeal submitted by SNN and partly changes the sentence appealed in the sense that obliges the respondent to pay SNN the amount of 55.546,39 lei as delay penalties and 555,47 lei court expenses, added to the amounts from the first instance. Maintains the other provisions of the appealed sentence. Obliges the respondent to pay the claimant the amount of 1.365,96 lei appeal expenses.</p> <p><u>In appeal (High Court of Cassation and Justice)</u> admits the appeal, partly changes the appealed decision, obliges the respondent Tinmar to pay the amounts of 292.982,47 lei, the difference of fee for transportation service for introducing the electrical energy in the network and 1.289.812,54 lei, delay penalties for the issued invoices based on contacts no. 1547/20.11.2009 and no. 1574/09.12.2009. Obliges the respondent Tinmar to pay the amount of 24.049,94 lei, merits trial costs, to the claimant. Maintains the other provisions of the appealed sentence. Obliges the respondent Tinmar to pay the amount of 15.901,97 lei, trial costs appeal, to SNN. With</p>	15.12.2016



**SN Nuclearelectrica SA**

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							appeal right within 15 days from the decision. Decision 714/20.04.2016. <b>Appeal (retrial):</b>	
3.	2183/115/2010	Caras-Severin Court of Law	Creditor	Cet Energoterm Resita S.A.	Insolvency file – bankruptcy procedure SNN receivable accepted in the final receivable table: <b>580.974,21 lei</b>	On the merits of the case	<b>ongoing procedure</b>	<b>24.11.2016</b>
4.		Sector 1 Court of Law	Civil party	Defendants: Rotaru Ioan, Ispas Gheorghe, Irimie Traian, Prisecaru Tereza, Nemtanu Raducu, Anghelescu Andrei, TESS Conex S.A. civil responsible party	Corruption – abuse in office SNN is a civil party in the trial with a prejudice estimated for 13.493.080,3 lei	Appeal	<b>Merits:</b> The court partially accepts the civil action of the civil party SNN for 13.453.181,18 lei. Jointly obliges the defendants ROTARU IOAN, IRIMIE TRAIAN CEZAR, PRISECARU TEREZA and NEMTANU RADUCU – the last two joined and with the civil party S.C. TESS CONEX S.A. to pay to the civil party SOCIETATEA NATIONALA NUCLEARELECTRICA S.A. the amount of 7.481.329,701 lei RON as civil damage (material damage for the contract TD – R – 015 no. 53/03.06.2004). jointly obliges ROTARU IOAN, IRIMIE TRAIAN CEZAR, ISPAS GHEORGHE, ANGHELESCU ANDREI TUDOR and PRISECARU TEREZA – the last two joint and with the civil party S.C. TESS CONEX S.A. to pay to the civil party SOCIETATEA NATIONALA NUCLEARELECTRICA S.A. the amount of 2.433.400,22 lei RON as civil damage (material damage for the contract TD – R 111 no. 99/07.01.2005). obliges jointly the defendants ROTARU IOAN, IRIMIE TRAIAN CEZAR, ISPAS GHEORGHE, PRISECARU TEREZA and NEMTANU RADUCU – the last two jointly and with the civil party S.C. TESS CONEX S.A. to pay to the civil party SOCIETATEA NATIONALA NUCLEARELECTRICA S.A. the amount of 2.886.718,2813 lei RON as civil damage (material damage for the contract TD – R - 074 no. 145/19.09.2003). Jointly obliges the defendants ISPAS GHEORGHE, PRISECARU TEREZA and NEMTANU RADUCU – the last two jointly and with the	<b>08.11.2016</b>

**SN Nuclearelectrica SA**

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							civil party S.C. TESS CONEX S.A. to pay to the civil party SOCIETATEA NATIONALA NUCLEARELECTRICA S.A. the amount of 651.732,9796 lei RON as civil damage (material damage for the contract TD – RI - 036 no. 904/15.10.2003). the defendants and DNA submitted an appeal. <b>Appeal Accepts</b> the proof of ROTARU IOAN, IRIMIA TRAIAN CEZAR, ISPAS GHEORGHE, PRISECARU TEREZA, NEMANU RADUCU, ANGHELESCU ANDREI TUDOR and SC. TESS CONEX SA. Approves the re-hearing of the witnesses Perju Mihail, Gheorghe Alexandru, Ontelus Elena, as well as the hearing of the following: Raschip Gheorghe, Papadopol Constantin and Zvânca Alina Gabriela. Approves for the parties the proof with the documents submitted to the file. Prorogues the rule regarding th performance of special expertise for the following trial term. Rejects, as not useful, the other proof requested by the party as well as the letters issuance requests of S.N.N.S.A, Tess Conex S.A. and of the Romanian Government in order to obtain documents/regulations. Prorogue the ruling regarding the summoning of the Constitutional Court to solve the lack of constitutions exception of the provision of art. 297 paragraph 1 letter c Criminal code and art. 13 ind. 2 of the Law no.78/2000, for the following trial term. Final. Ruled during the public meeting, today, 06.07.2016.	
5.	9089/101/2013	Mehedinti Court of Law	Creditor	RAAN	Insolvency Receivables 7.828.405,48 lei	On the merits of the case 5.450.135,91 lei, in two years.	Ongoing proceedings. - opening Bankruptcy. Up to present time RAAN did not pay any amount of the receivable due to SNN.	<b>10.11.2016</b>
6.	7238/120/2012	Dambovita Court of Law	Creditor	Eco Energy	Insolvency proceedings - bankruptcy SNN receivable	On the merits of	ongoing procedure	<b>16.01.2017</b>

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					registered in the final table of creditors in the amount of <b>2.464.059,64 lei</b>	f the case		
7.	3793/2/2013	High Court of Cassation and Justice	Intimate	Greenpeace CEE Romania	Issuing annulment of the environment agreement and of the environment agreement for Project of the Units 3-4	Appeal	<b>Merits</b> : Rejects the request of the claimant as being not grounded. <b>Appeal</b> : accepts the appeal submitted by Fundatia Greenpeace Cee Romania and the Asociatia Bankwatch Romania against the decision no. 1436 from May 9 <sup>th</sup> , 2014 of the Bucharest Court of Appeal–Section VIII – administrative and fiscal department. Cancels the appealed decision and sends the case for retrial with the same court. Final. Ruled in the public meeting, June 23 <sup>rd</sup> , 2016.	Next hearing shall follow
8.	873/1259/2008	Arges Court of Law	Creditor	Termoficare 2000 SA	Insolvency file – bankruptcy procedure SNN receivable registered in the final receivable table in the amount of <b>2.713.986,71 lei.</b>	On the merits of the case	Ongoing procedure	<b>13.12.2016</b>
9.	18770/3/2007	Bucharest Court of Law	Creditor	Condem SA	Insolvency file – bankruptcy procedure SNN receivable registered in the final receivable table in the amount of 2.446.227,08 lei	On the merits of the case	Ongoing procedure	<b>11.01.2017</b>
10.	11661/3/2014 11661/3/2014*	Bucharest Appeal Court  Bucharest Court of Law  Retrial	Intimate	Fondul Proprietatea S.A.	Absolute nullity notice of the Resolution AGEA S.N.N. no. 1/11.03.2014 by which was approved the SNN participation to the investment projects Tarnita – Lapustesti and Cablu Submarin	Appeal  Retrial	<b>On the merits</b> (TB) rejected the request of Fondul Proprietatea admitting the exception of the lack of interest reported to the request’s object. <b>Appeal</b> CAB: admits the FP appeal, cancels the appealed sentence and sends the cause to trial at the same court. Retrial merits: 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	Suspended

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							possibility of existing a state aid which is the object of the GEMS of S.N.N. Decision no. 1/11.03.2014.	
11.	416/2/2014	Court of Appeal Bucharest	Claimant Plaintiff	The National Energy Regulatory Authority	Cancellation of administrative deed. Decision 3609/2013 regarding the tariff approval regulated for 2014	Merits	<b>Merits:</b> Bucharest Court of Appeal rejected the on 14.10. 2014 the SNN request as ungrounded. SNN filed appeal. <b>Appeal ICCJ:</b> The case is under filtering. First hearing shall be allotted subsequently.	<b>16.05.2017</b>
12.	1794/118/2016 1794/118/2016/a1 1794/118/2016/a2	Constanta Court of law	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor Davy Security SRL civil responsible party	prejudice 3.471.463 euro	Merits	<b>File 1794/118/2016/a1:</b> Conclusion: Based on art. 345 par. 1 Criminal procedure code, rejects, as ungrounded, the requests and exceptions filed by the defendants NEGULICI ELENA MARINELA, OLTEANU MADALINA, ENCICA IONEL, NICOLA LAURENTIU THEODOR and DARAMUS VICTOR regarding the nullity of the court of law intimation, the lawfulness of managing proof and prosecution. Rejects, as unacceptable, the request of the defendant BUCUR IONEL to state the lack of lawfulness and lack of grounds of the Ordinance to instate ensuring measures no. 279/P/2015 din 06.01.2016 ruled by D.N.A. – Constanta Territorial Service. Rejects as ungrounded, the requests of the defendants BUCUR IONEL and NEGULICI ELENA MARINELA regarding the cancellation of the sequestration on the movable and immovable assets, as well as the return of the movable frozen assets. Based on art. 346 paragraph .2 Criminal procedure code, Constanta the lawfulness of intimation of Constanta Court of Law by accusation no. 279/P/2015 from 09.03.2016 of the Prosecution with the High Court of Cassation and Justine, DNA, Constanta Territorial Service regarding the defendants: - BUCUR IONEL, NEGULICI ELENA-MARINELA, ENCICA IONEL and NICOLA LAURENTIU-THEODOR for committing the deed abuse in service, if the public provider obtained for himself or for others undue benefits provided by art. 132 of the Law no. 78/2000 regarding prevention,	<b>09.11.2016</b>

							<p>discovery and sanction of the corruption deeds reported to art. 297 par. 1 Criminal code, with the appl. of art. 309 and art. 183 Criminal code. Which lead to very serious consequences, applying art. 5 Criminal code.</p> <p>- DARAMUS VICTOR for complicity to abuse in service, if the public provider obtained for himself or for others undue benefits provided by art. 48 Criminal code – art. 132 of the Law no. 78/2000 regarding prevention, discovery and sanction of the deeds of corruption reported to art. 297 par.1 Criminal code, appl. of art. 309 and art. 183 Criminal code which lead to very serious consequences, appl. art. 5 Criminal - BUCUR IONEL and ENCICA IONEL, for committing the deed conflict of interests prov. by art. 301 of the Criminal code by appl. art. 5 Criminal code - BUCUR IONEL, NEGULICI ELENA-MARINELA and ENCICA IONEL for abuse in service, if the public provider obtained for himself or for others undue benefits provided by art. 132 of the Law no. 78/2000 regarding prevention, discovery and sanction of the deeds of corruption reported to art. 297 par.1 Criminal code, by appl. art. 309 and art. 183 Criminal code which lead to very serious consequences, by appl. art. 5 Criminal code - DARAMUS VICTOR for complicity to abuse in service, if the public provider obtained for himself or for others undue benefits provided by art. 48 Criminal code – art. 132 of the Law no. 78/2000 regarding prevention, discovery and sanction of the deeds of corruption reported to art. 297 par.1 Criminal code., appl. of art. 309 and art. 183 Criminal code. which lead to very serious consequences, by appl. art. 5 Criminal code. - BUCUR IONEL, NEGULICI ELENA-MARINELA and ENCICA IONEL for conflict of interests prov. by art. 301 of the Criminal code by appl. art. 5 Criminal code. - BUCUR IONEL, NEGULICI ELENA-MARINELA, OLTEANU MADALINA, ENCICA IONEL, NICOLA LAURENTIU-THEODOR for</p>
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							<p>service abuse, if the public provider obtained for himself or for others undue benefits provided by art. 132 of the Law no. 78/2000 regarding prevention, discovery and sanction of the deeds of corruption reported to art. 297 par.1 Criminal code., by appl. art. 309 and art. 183 Criminal code. Which lead to very serious consequences, - DARAMUS VICTOR for committing the crime complicity to abuse in service, if the public provider obtained for himself or for others undue benefits provided by art. 48 Criminal code – art. 132 of the Law no. 78/2000 regarding prevention, discovery and sanction of the deeds of corruption reported to art. 297 par.1 Criminal code, appl. art. 309 and art. 183 Criminal code, deed which lead to very serious consequences, - BUCUR IONEL, NEGULICI ELENA-MARINELA and ENCICA IONEL for committing the crime conflict of interests prov. by art. 301 of the Criminal code - BUCUR IONEL, NEGULICI ELENA-MARINELA and ENCICA IONEL for committing the crime conflict of interests prov. by art. 301 of the Criminal code States the lawfulness of managing the proof and performing the prosecution. Rules the case trial initiation regarding the defendants BUCUR IONEL, NEGULICI ELENA-MARINELA, OLTEANU MADALINA, ENCICA IONEL, NICOLA LAURENTIU THEODOR and DARAMUS VICTOR. With right of appeal in 3 days since the communication. Rule in the council room today, 14.07.2016.</p> <p><b>Appeal :</b> Based on the provisions of art. 425 ind.1 par.7 point 1 letter b of the Criminal procedure code regarding the provisions of art. 203 par. 5 of the Criminal procedure code and art. 205 par. 1 of the Criminal procedure code rejects as ungrounded the appeal filed by the contesting party – defendant Olteanu Madalina against the conclusion from 01.06.2016 ruled by Constanta Court of Law in the file no. 1794/118/ 2016/a1. Based on</p>
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							<p>art.275 par.2 of the Criminal procedure code, the legal expenses advanced by the state in the amount of lei 200 are covered by the contesting party – defendant Olteanu Madalina. Final. Ruled in the board room meeting, today, 21.06.2016 Document :125/2016 21.06.2016</p> <p><b>File 1794/118/2016/a2:</b> Based on art.207 Criminal procedure code and art. 242 par. 1 Criminal procedure code, revokes the preventive measure of the legal control for the defendants BUCUR IONEL AND NEGULICI ELENA MARINELA by Ordinances no. 279/P/2015 from 18.02.2016 issued by DNA –Constanta Territorial Services and amended by the Conclusion no. 37 from 23.02.2016, Constanta Court of Law. Based on art.275 par.3 Criminal procedure code, The legal costs advanced by the state remain in its task. With a right of appeal within 48 hours from ruling it for the parties present and from the transmission, for those not present. Ruled in the preliminary room on 23.03.2016. Final conclusion (des-investment) DNA Constanta filed appeal. Follows term.</p> <p>On 16.03.2016 was ruled the trial of 5 persons from CNE Cernavoda, the file being under investigation at Constanta Court of Law.</p> <p>SNN was a civil party in the criminal trial for the amount of lei 14.673.966,24 representing prejudice, as mentioned in the Indictment.</p>	
13.	40046/3/2014	Bucharest Court of Law	Defendant	Fondul Proprietatea S.A.	Stating the absolute nullity of the GEMS Decision no. 8/6.10.2014 regarding the increase of share capital with cash input by issuing shares Mentioning the court decision at the Register of Commerce and	Merits	<b>Merits:</b> ongoing	<b>14.11.2016</b>

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					cancelling the already registered mentions			
14.	13275/3/2015	Bucharest Court of Law Bucharest Court of Appeal	Respondent	Hidroelectrica S.A.	Action in claims: <b>40.812.717 lei</b> representing the difference in counter value for buying energy insurance contact and energy sale and legal interest	Merits	<b>Merits:</b> The court accepts the statute of limitation of the material right in action invoked by SNN. Rejects the action as being prescribed. With a right of appeal in 30 days from the communication. Decision no. 6860/07.12.2015  <b>Appeal :</b> Hidroelectrica filed for appeal	<b>09.12.2016</b>
15.	3490/121/2015	Galati Court of Law	Claimant	Arcelor Mittal Galati S.A.	Claims <b>8.575.245,78 lei</b> the difference in counter value for selling laid off energy and other associated expenses	Merits	<b>Retaken on the dockets. Paying the additional stamp duty</b>	<b>24.11.2016</b>
16.	26063/3/CA/2015	Bucharest Court of Law	Claimant	Court of Auditors Arges Court of Auditors	Action for cancellation of management documents- measure regarding Microsoft licenses: -Decision of the Arges Court of Auditors no. 9/23.03.2015 -Conclusion no. 38/19.06.2015 -Control report no. 341/27/2015 at the FCN Pitesti Branch	Merits	<b>Merits :</b> The court rejects the action of SNN, as ungrounded. With a right of appeal within 15 days from the communication which shall be filed, in case of drafting, at Bucharest Court of Law. Decision 1297/ 29.02.2016. SNN filed for appeal.  <b>Appeal :</b>	<b>7.11.2016</b>
17.	4960/2/2015	Bucharest Court of Appeal section VIII-a administrative and fiscal department  the Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the performance, measure regarding D&O INSURANCE POLICIES	Merits	<b>Merits :</b> The court accepts the request in part. According to art. 15 of the Law no. 554/2004 suspends the performance of point II.12 of the decision device no. 16/11.05.2015 issued by the Romanian Court of Auditors – Department IV up to the final resolution of the merits action registered in the file no. 4912/2/2015. Rejects as unacceptable the suspension request of performing point 10 of the conclusion no. 59/17.07.2015 and of point 3.1.10 of the Control report no.	Next hearing shall be allotted subsequently



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							4371/10.04.2015 issued by the Romanian Court of Auditors. With appeal within 5 days from the communication. Decision 2608/15.10.2015. The Court of Auditors filed for Appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first trial term is going to be allotted subsequently.	
18.	4961/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department	Claimant	Court of Auditors	Action to suspend the enforcement measure regarding TOURISTIC SERVICES	Merits	<b>Merits :</b> The court rejects the suspension request of the enforcement as being ungrounded. With a right of appeal in 5 days from the communication. Decision 2660/20.10.2015. SNN filed for appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first trial term shall be subsequently allotted.	Next hearing shall be allotted subsequently
19.	4962/2/2015 Connected to 4966/2/2015 court decision	Bucharest Court of Appeal section VIII administrative and fiscal department	Claimant	Court of Auditors	Action to suspend the enforcement measure regarding BONUSES and COURT DECISIONS	MERITS	<b>Merits :</b> The court admits the exception of unacceptability invoked by the respondent. Rejects as unacceptable the requests for suspending the performance of points 3.1.7 and 3.1.8 of the Control report no. 4371/10.04.2015. Rejects as being without interest the suspension requests for performing point 8 of the Conclusion no. 59/17.07.2015 of the Resolution committee of the contesting parties and point II 10 of Decision 16/11.05.2015 issued by the respondent. Rejects as ungrounded the suspension requests for performing point 7 of the conclusion no. 59/17.07.2015 of the Resolution committee of claims and point II 9 of the Decision 16/11.05.2015 issued by the claimant. With a right of appeal within 15 days from the communication. Decision ruled on 08.12.2015.  SNN did not promote an appeal regarding the decision ruled for the file 4962/2/2015 and the Court of Auditors promoted the appeal	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors

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							<b>Appeal ICCJ</b> The case is under filtering procedure. The first trial term is to be allotted subsequently.	
20.	4968/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the enforcement measure regarding fees for LEGAL ADVISERS	Merits	<b>Merits :</b> The court accepts the request in part. Rules the suspension of the partial performance of the Decision no. 16/2015, and namely of 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 cancelling 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- point 3.1.9- as unacceptable. With a right of appeal within 5 days from the communication. Decision 2684/20.10.2015. The Court of Auditors filled for appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently:	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors
21.	4969/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the enforcement measure regarding MICROSOFT licenses	Merits	<b>Merits :</b> The court accepts the suspension request in part. Suspends the performance of point 11 of conclusion no. 59/17.07.2015 and of point II.13 of Decision no. 16/11.05.2015 issued by the Romanian Court of Auditors up to the final resolution of the merits case. Executive. with a right of appeal within 5 days from the communication. Decision 2956/ 11.11.2015. The Court of Auditors filled for appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors
22.	4970/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action for suspending the enforcement measure regarding income tax on non-residents	Merits	<b>Merits :</b> The court accepts the request in part. Rules the suspension of the partial performance 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 under cancellation. Rejects as unacceptable the suspension request of point 3.1.3 of the Control report no. 4371-10.04.2015. with a right of appeal within 5	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors

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							days from the communication. Decision 2503/ 07.10.2015. The Court of Auditors filled for appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently	
23.	4959/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department	Claimant	Court of Auditors	Action for annulment of the measure regarding TOURISTIC SERVICES	Merits	<b>Merits:</b> The court accepts the request. Cancels in part the Conclusion no. 59/17.07.2015 issued by the defendant, in regards to point 3. Cancels in part the Decision no. 16/11.05.2015 issued by the defendant, in regards to measures ruled at point 5 and Measure no. I 3. Cancels in part the Control Report no. 4371/10.04.2015 issued by the defendant in regards to point 3.1.5. Obliges the respondent to pay lei 4550 trial expenses to the claimant. with a right of appeal within 15 days from the communication. Decision 2015/10.06.2016. The Court of Auditors filled for appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors
24.	4902/2/2015 connected with 4907/2/2015 premiums	Bucharest Court of Appeal section VIII administrative and fiscal department Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action to annul the measure regarding FEES AND BONUSES FOR LEGAL ADVISERS	Merits	<b>Merits:</b> The court accepts the main request and the one related, 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 a right of appeal within 15 days from the communication. The appeal shall be submitted to CAB – section VIII. final. Decision 3419/17.12.2015. The Court of Auditors filled for appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors
25.	4906/2/2015	Bucharest Court of Appeal section VIII administrative	Claimant	Court of Auditors	Action to annul the measure regarding Incompliance of public acquisition procedures	Merits	<b>Merits:</b> Rejects the case as ungrounded. with a right of appeal within 15 days from the communication. Decision 2961/10.10.2016.	

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		and fiscal department			for the contracts no. 1085/2012 and 634/2012 (Argos and General Concrete)			
26.	4912/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department	Claimant	Court of Auditors	Action to annul the measure regarding D&O POLICIES	Merits	<p><b>Merits:</b> The court accepts the request. Rejects the exception of unacceptability of the partial annulment request of the Control report no. 4371/10.07.20155. Accepts the case. Cancels, in part, the conclusion no. 59/17.07.20155, issued by the defendant regarding point 10, Decision no. 16/11.05.2015 issued by the defendant regarding the measure ruled at point II.12 of the decision device, as well as point 3.1.10 of the Control report no. 4371/10.04.2015 issued by the respondent. with a right of appeal within 15 days from the communication. Decision 173/ 26.01.2016.</p> <p>The Court of Auditors filed for appeal.</p> <p><b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently</p>	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors
27.	4946/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department	Claimant	Court of Auditors intervention General Concrete	Action to annul the measure regarding the contract concluded with GENERAL CONCRETE S.A.	Merits	<p><b>Merits:</b> tax - accounting expertise</p>	<b>9.12.2016</b>
28.	4964/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action to annul the measure regarding COURT DECISIONS	Merits	<p><b>Merits:</b> The court accepts the exception of unacceptability of the request regarding the cancellation of point 3.1.7 of the Control Report no. 4371/10.04.2015 invoked by the respondent. Rejects as unacceptable the request regarding the cancellation of point 3.1.7 of the Control Report no. 4371/10.04.2015. rejects as ungrounded the connected actions. With a right of appeal within 15 days from the communication. Decision 373/ 09.02.2016. SNN filed for appeal.</p>	Next hearing shall be allotted subsequently for the appeal promoted by SNN.

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							<b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently	
29.	4965/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action to annul the measure regarding MICROSOFT licenses	Merits	<b>Merits :</b> The court accepts the 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 11 of the conclusion, respectively the measure from point II.13 of the decision. Rejects as unacceptable the point 3, regarding the partial cancellation of the Control Report no. 4371/10.04.2015. With a right of appeal within 15 days from the communication. The appeal shall be filed to CAB – section VIII Decision 236/ 28.01.2016. The Court of Auditors filled for appeal. <b>Appeal ICCJ:</b> The case is under filtering procedure. The first term of trial is to be allotted subsequently	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors
30.	4958/2/2015	Bucharest Court of Appeal section VIII administrative and fiscal department Superior Court of Cassation and Justice	Claimant	Court of Auditors	Action to annul the measure regarding tax on non-residents income	Merits	<b>Merits :</b> The court accepts the request. Cancels in part the conclusion no. 59/17.07.2015, respectively in regards to rejecting point VI from the appeal no. 6420/28.05.2015, and, as a consequence, cancels the measure taken at point II.8 of the decision no. 16/11.05.2015 for removing the breaching 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 a right of appeal within 15 days from the communication, the request for enforcing the attack following to be filed to the Bucharest Court of Appeal Section VIII administrative and fiscal department. Decision 793/2016 10.03.2016.  The Court of Auditors filled for appeal.	Next hearing shall be allotted subsequently in the appeal promoted by the Court of Auditors
31.	45487/3/2015	Bucharest Court of Law Section VIII labor	Claimant	Havis Alex Negulici Elena Nicolescu Corina Dina Dumitru Popescu Dragos	Prejudice <b>708.407 lei</b> Labor litigation enforcing the measure ruled by the Court of Auditors by the control report from 2012	Merits	<b>Merits:</b> accepts the exception of the prescription of the material right to act, invoked by the respondents and rejects the request as being prescribed the right to act. With a right of appeal within 10 days from the communication, to be submitted to the	Next hearing shall be allotted subsequently with the Bucharest

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				Ionescu Elena Dinca Suzana Georgescu Magda Nazarevscky Cristina	regarding D&O type insurance policies		Bucharest Court of Law – Section VIII. Decision 5836/2016 07.06.2016 SNN filed for appeal.	Court of Appeal
32.	45494/3/2015*	Bucharest Court of Law section VIII Labor	Claimant	Serbanescu Cristian Chiriac Cristina Popescu Ioana Gramamioara Chirica Teodor Budulan Pompiliu	Prejudice <b>708.407 lei</b> Labor litigation enforcing the measure ruled by the Court of Auditors by the control report from 2012 regarding D&O type insurance policies	Merits	<b>Merits : Under ruling</b>	
33.	1367/2/2016	Bucharest Court of Appeal section VIII administrative and fiscal department High Court of Cassation and Justice	Claimant	ANAF General Directorate for Claim Resolution General Managing Directorate for Large Contributors	SNN requested the cancelation of the Decision no. 25/29.01.2016 regarding the claim resolution submitted by S.N. Nuclearelectrica S.A. against the enforceability decision no. F-MC 2261/08.10.2015 regarding additional payment fiscal obligations established by the fiscal inspection for legal persons, issued by the General Directorate of Administration for Large Contributors and obliging the respondent to solve the claim on the merits against the Enforceability Decision no. F-MC 2261/08.10.2015 regarding additional payment fiscal obligations established by the fiscal inspection for legal persons, issued by the General	Merits	<b>Merits :</b> Rejects the action as ungrounded. With a right of appeal within 15 days from the communication. The appeal request shall be submitted with the office of the Bucharest Court of Appeal. Decision no. 2656/ 21.09.2016.  SNN filed for appeal	Next hearing shall be allotted subsequently with the High Court of Cassation and Justice

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(All amounts are in RON, unless stated otherwise)

					Directorate of Administration for Large Contributors as well as the Fiscal Inspection Report no. F-MC 287/08.10.2015			
34.	6874/3/2016*	Bucharest Court of Law	Claimant	Nuclear and Radioactive Agency (ANDR)	<p>Claims -EUR 131.080,08 representing contributions according to the G.D. 1080/2007 for 2010-2012</p> <p>- contributions 2013-2015 for the difference of energy produced and the one delivered in SEN</p> <p>- penalties 2010-2015 until the effective payment</p> <p>The G.D. 1080/2007 regulates the contributions due by the authorization holders developing activities in the nuclear field, contributions necessary to cover the expenses for decommissioning the installations</p>	Merits	<p><b>Merits:</b> Rejects the exception of statute of limitation as ungrounded. Rejects the summons as being ungrounded. With a right of appeal within 30 days from the communication; the appeal request is filled at the Bucharest Court of Law - Section VI Civil. Ruled today, 23.09.2016, the resolution being provided to the parties issued by the registry of the court. Decision 5622/2016 23.09.2016</p>	
35.	9230/3/2016	TB S a II-a	Respondent	Greenpeace	<p>Requests, according to the law, the access to public information for the communication of the Support Letter issued by the Romanian Government in support of the investment for the Project Units 3 and 4 from Cernavoda</p>	Merits	<p>SNN filed an accessory intervention request in the interest of the respondent- Ministry of Energy</p>	<b>28.11.2016</b>

**SN Nuclearelectrica SA**

Report of the administrators for the January 1 – September 30 2015 period

(All amounts are in RON, unless stated otherwise)

Nr.	File no.	Court of law	SNN's Capacity	Opposing party	Object/value	Current procedural stage	Previous procedural stages	Procedural stage Hearing
<b>CNE Cernavoda</b>								
1.	10673/118/2010	Civil/ Constanta court of Law	Respondent	Sava Marian	Compensations	Merits	Evacuating land corresponding to thermal electrical energy transportation and paying compensations. <b>Merits :</b> rejects the case as ungrounded. Obliges the claimant Sava Marian to pay the amount of lei 27.003,33 to the claimant S.N.Nuclearelectrica S.A, representing trial expenses (legal duty stamp, legal stamp, expert fee). With a right of appeal within 15 days from the communication. Decision 603/2016 14.03.2016. <b>Appeal:</b>	<b>09.01.2017</b>
2.	14951/118/2011 (suspended based on art. 36 of the Law no 85/2006)	Civil/ Medgidia Court of Law	Claimant	S.C. Car Construct SRL	Clearing the land, property of SNN SA – concrete platform occupied by SC CAR CONSTRUCT based on the sale-purchase agreement concluded with S.C. CONSTRUCTII NUCLEARELECTRICE S.A	Merits	According to art. 36 of the Law no. 85/2006 (insolvency law) the case trial was suspended.	suspended



**Appendix 5 – Degree of accomplishment of the performance indicators on 30.09.2016 - the Board of Directors**

Item	Objective/Performance indicators	MU	Estimated Q III *)	Actual Q III	Degree of accomplishment (%)	Weight coefficient	Degree of accomplishment of the performance indicators col. 5 * col. 6 (%)
0	1	2	3	4	5	6	7
<b>Improvement of the indicators regarding the financial performance of the Company</b>							
1	Turnover (cumulated since the beginning of the year)	Million RON	1.216,00	1.181,46	97,16%	0,20	19,43%
2	Operating result (cumulated since the beginning of the year)	Million RON	33,00	64,17	194,46%	0,20	38,89%
3	Overdue payments	Thousand RON	-	-	100,00%	0,10	10,00%
4	Labor productivity (cumulated since the beginning of the year)	Thousand RON/person	593,00	587,79	99,12%	0,10	9,91%
5	Operating expenses at 1.000 RON turnover (cumulated since the beginning of the year)	RON	999,00	956,67	104,42%	0,10	10,44%
<b>Execution of the major investment objectives</b>							
6	Execution of the annual value plan of investments cumulated since the beginning of the year (as per Figure 28 and the annual budgets)	%	50,00%	11,00%	22,00%	0,15	3,30%
<b>Maintenance of the electricity production capacity above the average level in the industry</b>							
7	Capacity factor (cumulated since the beginning of the year)	%	80,00%	89,45%	111,81%	0,10	11,18%
<b>Operation of the nuclear units in safe conditions for the personnel, the population, the environment and the production assets</b>							
8	No operating events above level 1 on the International Nuclear Event Scale, concerning the damage of the in depth defense barriers, onsite and off-site impact.		0 events above level 1 on INES scale	0 events above level 1 on INES scale	100,00%	0,05	5,00%
<b>The degree of accomplishment of the performance indicators</b>						<b>1,00</b>	<b>108,15%</b>

\*) Values according to Budget revenues and expenditures for 2016, approved by GMS Decision no. 1/30.03.2016