



NUCLEARELECTRICA

**Report date: 12.05.2017**

**Name of the issuing entity: Societatea Nationala NUCLEARELECTRICA S.A.**

**Registered office: 65, Polona street, District 1, Bucharest**

**Phone/fax number: 021-203.82.00 / 021 – 316.94.00**

**Sole Registration Code with the Trade Register Office: 10874881**

**Order number: J40/7403/1998**

**Subscribed and paid share capital: RON 3.015.138.510**

**Regulated market on which the issued securities are traded: Bucharest Stock Exchange**

**To: Bucharest Stock Exchange**

**Financial Supervisory Authority**

**Ref: Current report in compliance with art. 67 of Law 24/2017 regarding issuers of financial instruments and market operations and The Regulation of the Romanian National Securities Commission no. 1/2006 regarding the issuers and securities operations, as subsequently amended**

**Important event to be reported**

**The availability of the Quarterly Report for the period January 1<sup>st</sup> – March, 31<sup>st</sup>, 2017**

Societatea Nationala Nuclearelectrica S.A. (“SNN”) informs the shareholders and investors on the availability of the Quarterly Report related to the first quarter of the 2017 financial year, prepared in compliance with the provisions of art. 67 of Law no. 24/2017 and with Appendix no. 30 of the Regulation of the Romanian National Securities Commission no. 1/2006, starting with May 12<sup>th</sup>, 2017, as follows:

- In written format, by request, at the Bucharest Headquarter, 65 Polona Street, District 1, Communications and Investor Relations Department;
- Electronically on the company’s website, in the “Investor Relations – 2017 Financial Results” section ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)).

The Quarterly Report comprises :

- The main events in the company’s activity throughout the reporting period;
- The Interim Individual Condensed Unaudited Financial Statements as at and for the three month period ended on March 31, 2017, prepared in compliance with OMFP no. 2844/2016, based on International Accounting Standard 34 “Interim Financial Reporting”;
- The Quarterly Report of the Board of Directors on the administration activity for the period January 1<sup>st</sup> – March 31<sup>st</sup>, 2017.

**Societatea Nationala NUCLEARELECTRICA S.A.**

65 Polona Street, District 1, 010494, Bucharest, Romania; Tel +4021 203 82 00, Fax +4021 316 94 00;

Trade Registry number: J40/7403/1998, Sole registration code: 10874881,

Paid and subscribed capital: 3.015.138.510 lei

[office@nuclearelectrica.ro](mailto:office@nuclearelectrica.ro), [www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)

## The main results:

### 1. The financial results for the period

Within the three month period ended on March 31<sup>st</sup>, 2017, SNN registered a net profit of 84,052 thousand RON, 25,7% higher than the similar period of the last year. The operating result (EBIT) has registered a 41,5% increase, while EBITDA registered an increase of 18,1% compared to the same period of the last year.

The 25,7% increase in the net profit, compared to the operating gross profit increase of 41,5%, is determined by the fact that in the first quarter of 2017 a net financial expense of 1,838 thousand RON was incurred, compared to the similar period of 2016, when a net financial income of 10,300 thousand RON was registered, expense generated by the net currency exchange differences.

Thousand RON	3 months period ended at 31 March 2017***	3 months period ended at 31 March 2016***	Variation
<b>Production (GWh)*</b>	2,766	2,803	-1.3%
Operating income, out of which:	494,997	454,434	8.9%
<i>Income from the sale of electricity**:</i>	483,910	446,432	8.4%
Operating expenses	(264,625)	(259,403)	2.0%
<b>EBITDA</b>	<b>230,372</b>	<b>195,031</b>	<b>18.1%</b>
Depreciation and amortization	(122,893)	(119,055)	3.2%
<b>EBIT</b>	<b>107,479</b>	<b>75,976</b>	<b>41.5%</b>
Net finance income	(1,838)	10,300	n/a
Income tax expenses	(21,589)	(19,415)	11.2%
<b>Profit net</b>	<b>84,052</b>	<b>66,861</b>	<b>25.7%</b>

\*Electricity produced and delivered by CNE Cernavoda in the National Energetic System.

\*\*Including sales from thermal energy, insignificant in total income

\*\*\*Excerpt from the Interim Individual Condensed Unaudited Financial Statements as at and for the three month period ended on March 31, 2017

### 2. Electricity sales (quantities, prices and values) during the first quarter of 2017

Sales of electricity on types of contracts/ markets	Quantities in MWh	% out of total sales	Price (RON/MWh TG included)	Sales of electricity, Tg included (RON)
Regulated contracts	313,437	11.24%	161.13	50,504,749
Sales on the competitive market (PZU and PI contracts) out of which:	2,465,254	88.39%	175.95	433,762,590
- sales on PCCB, PCCB-NC and supply contracts	2,057,703	73.77%	164.34	338,166,268
- sales on PZU and PI	407,551	14.61%	234.56	95,596,322
Positive PRE imbalances	10,527	0.38%	211.56	2,227,073
<b>Total sales for 1<sup>st</sup> quarter 2017</b>	<b>2,789,218</b>	<b>100,00%</b>	<b>174.42</b>	<b>486,494,412</b>

The income achieved on the electricity market related to the electricity delivered in the 1<sup>st</sup> quarter of 2017 is of 486,494,412 RON, higher with 3.36% than the value considered when preparing the Budget for 2017 (portion for Q1) and higher with 6.51% compared to the results from the same period of the last year.

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 2,789,218 MWh, with 0.77% over the sales program, of 2,767,838 MWh.

### **3. The completion stage for the major investment objectives at the end of the first quarter of 2017**

The total value of the investment program of SNN for 2017 is of 231,593 thousand RON (without the component for the payment of debt service), program approved by the Decision no. 1/29.03.2017 of the SNN General Shareholders Meeting.

As in the previous years, the greatest weight in the investment program is that of the long term investments (in progress). 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 of the Romanian energetic sector.

The highest value of the SNN investment program, of 196,759 thousand RON, for 2017, is destined to CNE Cernavoda Branch.

The execution degree of the investment program of CNE Cernavoda Branch at the end of the first quarter of 2017 is 18.25%.

The total degree of execution related to the first quarter of 2017, for the entire investment program of SNN (headquarters and subsidiaries for the period January – March 2017), is 15,74%, while the degree of execution for the major investment objectives (the interim spent fuel repository - DICA, modernization and extension of the physical protection system, the enhancement of the nuclear safety features of CNE Cernavoda in case of beyond design base events) is 9,54%, higher than the minimum approved target of 5% for the first quarter of 2017.

Additional information may be obtained at the Communications and Investor Relations Department via e-mail: [investor.relations@nuclearelectrica.ro](mailto:investor.relations@nuclearelectrica.ro).

**Daniela Lulache**  
**Chief Executive Officer**



## QUARTERLY REPORT

**of the economic and financial activity of S.N. Nuclearelectrica S.A. in compliance with the provisions of Art. 67 of the Law No.24/2017 regarding financial instruments issuers and capital market transactions and the Appendix No.30 to the CNVM Regulation No.1/2006 regarding issuers and securities operations for the 1st Quarter of the financial year 2017**

Report according to:	Art. 67 of the Law no. 24/2017 regarding financial instruments issuers and capital market operations and Annex no. 30 to the CNVM Regulation no. 1/2006 for the 1st Quarter of the financial year 2017
Date of report:	May 10 <sup>th</sup> , 2017
Company name:	<b>S.N. Nuclearelectrica S.A.</b>
Registered office:	Bucharest, 65 Polona Street, district 1
Phone/fax number:	+40 21 203 82 00; +40 21 316 94 00
Web/ Email:	<a href="http://www.nuclearelectrica.ro">www.nuclearelectrica.ro</a> ; <a href="mailto:office@nuclearelectrica.ro">office@nuclearelectrica.ro</a>
Sole Registration Code with the Trade Register Office:	10874881
Order number in the Trade Register:	J40/7403/1998
Subscribed and paid up share capital:	3.015.138.510 lei
The regulated market on which the issued securities are traded:	Bucharest Stock Exchange ( <a href="http://www.bvb.ro">www.bvb.ro</a> ), Premium category
The main characteristics of the issued securities:	301.513.851 shares with the nominal value of 10 RON/share, dematerialized, nominative, ordinary, indivisible and equal vote rights and freely negotiable on Bucharest Stock Exchange under SNN symbol starting on November 4 <sup>th</sup> , 2013
Applicable Accounting Standards:	International Financial Reporting Standards (IFRS) adopted by the European Union (UE) – IFRS-UE, individual interim condensed unaudited financial statements
Currency of the report:	Romanian Leu (RON) – all amounts are in RON, unless stated otherwise
Reported period:	<b>1st Quarter 2017</b>

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*The above translation of the Quarterly report for the 1<sup>st</sup> Quarter of 2017 is provided as a free translation from Romanian, which is the official and binding version.*

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## 1. FINANCIAL STATEMENT

### a) Statement of individual financial position

Indicator (thousand lei)	31.03.2017 (unaudited)	31.12.2016 (audited)
Non-current assets	7.248.250	7.330.813
Current assets	2.160.653	2.014.607
<b>Total assets</b>	<b>9.408.903</b>	<b>9.345.420</b>
Equity	7.590.665	7.506.613
Total liabilities, out of which:	1.818.238	1.838.807
Non-current liabilities	1.398.881	1.426.403
Current liabilities	419.357	412.404
<b>Total Equity and Liabilities</b>	<b>9.408.903</b>	<b>9.345.420</b>

### b) Statement of comprehensive income for the 3-month period ended on March 31, 2017

Indicator (thousand lei)	3-month period ended on 31.03.2017 (unaudited)	3-month period ended on 31.03.2016 (unaudited)
Operating revenues	494.997	454.434
Operating expenses	(387.518)	(378.457)
<b>Operating result</b>	<b>107.479</b>	<b>75.977</b>
Finance income	17.295	32.406
Finance costs	(19.133)	(22.106)
<b>Net finance (cost)/income</b>	<b>(1.838)</b>	<b>10.300</b>
<b>Profit before income tax</b>	<b>105.641</b>	<b>86.277</b>
Net income tax expense	(21.589)	(19.415)
<b>Profit for the period</b>	<b>84.052</b>	<b>66.862</b>
<b>Other elements of the total earnings</b>	-	-
<b>Total earnings</b>	<b>84.052</b>	<b>66.862</b>

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## 2. SIGNIFICANT EVENTS

### 2.1. Significant events during the 1<sup>st</sup> quarter of the year 2017

#### a) Resolutions of the General Meeting of Shareholders

By **Resolution no. 1/29.03.2017 of the Ordinary General Meeting of Shareholders** the Budget of revenues and expenses for year 2017 was approved.

#### b) Cernavoda NPP Units 3 and 4 Project

On January 31<sup>st</sup> 2017, the Negotiation Commission approved the proposal to continue negotiations on the Documents of Investment under the same conditions of the MoU, until June 30<sup>th</sup>, 2017, being initiated formalities for obtaining a mandate from the Inter-ministerial Commission, the Romanian Government and that General Meeting of Shareholders on further negotiations.

On the 6<sup>th</sup> of March 2017 the Inter-ministerial Commission endorsed the Commission's proposal on further negotiations and submission for approval by the Romanian Government of a memorandum in this regard. Further negotiations can take place after approval in the General Meeting of Shareholders.

### 2.2. Subsequent significant events after March 31, 2017

#### a) Litigations with the shareholder Fondul Proprietatea S.A.

Fondul Proprietatea S.A. has filed with the Bucharest Court of Law the request for annulment of the Extraordinary General Meeting of Shareholders ("EGMS") Resolution no. 8/6.10.2014 by which the SNN share capital increase by cash contribution amounting to maximum RON 239.172.630, by issuing a maximum no. of 23.917.263 new shares at a price of 10 RON/share. The request was recorded on file no. 40046/3/2014, registered within Bucharest Court of Law.

The Court set the next hearing to take place on May 9<sup>th</sup>, 2017.

#### b) Resolutions of General Meeting of Shareholders

By **Resolution no. 2/24.04.2017 of the GMS** was approved the appointing of temporary members of the Board of Directors, for a period of 4 months, starting April 26<sup>th</sup>, 2017. By Decision no. 64/03.05.2017, the Board of Directors appointed Mr. Iulian Robert Tudorache as President of the Board of Directors.

Also, by Decision no. 50/11.04.2017, the Board of Directors approved the extension of the CEO mandate of Mrs. Daniela Lulache, for a period of 4 months, starting with May 1<sup>st</sup>, 2017.

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c) **The planned outage program of Cernavoda NPP Unit 2**

Starting May 6<sup>th</sup>, 2017, Cernavoda NPP Unit 2 entered the planned outage program. This will last approximately 30 days, according to the plans for each planned outage.

**3. ECONOMIC FINANCIAL INDICATORS**

The Company's performance is reflected in the achievement of the key economic financial indicators, as follows:

<b>Indicator name<sup>**)</sup></b>	<b>Formula</b>	<b>M.U.</b>	<b>31.03.2017</b>
<b>1. Current liquidity ratio</b>	Current assets/ Current liabilities	x	5,15
<b>2. Debt ratio</b>			
2.1. Debt ratio (1)	Non-current liabilities/ Equity x 100	%	16,80%
2.1. Debt ratio (2)	Non-current liabilities / Capital employed x 100	%	14,39%
<b>3. Accounts receivable turnover rate</b>	Average accounts receivable balance/Turnover x 90	Days	23
<b>4. Non-current assets turnover rate<sup>*)</sup></b>	Turnover/ Non-current assets	x	0,27

*\*) Non-current assets turnover rate is calculated by annualisation of the quarterly turnover (360 days/90days)*

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

**4. STATEMENTS AND SIGNATURES**

Based on the most accurate available information, we confirm that the individual interim condensed unaudited financial statements prepared in accordance with the Ministry of Finance Order no. 2844/2016 for the approval of accounting regulations conforming to the International Financial Reporting Standards, based on the International Accounting Standard 34 – “Interim Financial Reporting”, reflect a true and fair image regarding the financial position, financial performance and cash flows for the period ended on March 31, 2017 and that this report, prepared according to the provisions of Art. 64, Law no. 24/2017, regarding financial instruments issuers and capital market operations and Annex no. 30 to the CNVM Regulation no. 1/2006 for the period ended on March 31, 2017, includes correct and true information regarding the Company's development and performance.

**Iulian Robert Tudorache**  
**President of the Board of Directors**

**Daniela LULACHE**  
**Chief Executive Officer**

**Mihai DARIE**  
**Chief Financial Officer**

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**5. APPENDIX**

**5.1. INTERIM INDIVIDUAL INTERIM CONDENSED UNAUDITED FINANCIAL STATEMENTS  
as at and for the period ended on March 31, 2017**

**5.2. QUARTERLY REPORT of the Board of Directors on the administration activity for the  
period January 1 – March 31, 2017**

*The above translation of the Quarterly report for the 1<sup>st</sup> Quarter of 2017 is provided as a free translation from Romanian, which is the official and binding version.*

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## **S.N. Nuclearelectrica S.A.**

### **Individual Interim Condensed Unaudited Financial Statements as at and for the period of three months ended on March 31, 2017**

Prepared in accordance with the Ministry of Finance Order no. 2844/2016 for the approval of accounting regulations conforming to the International Financial Reporting Standards, based on the International Accounting Standard 34 – “Interim Financial Reporting” as adopted by the European Union

**S.N. Nuclearelectrica S.A.**

Condensed Individual Financial Position as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

	Note	March 31, 2017 (unaudited)	December 31, 2016 (audited)
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	4	7,030,531,520	7,108,486,979
Intangible assets		76,029,183	80,636,405
Financial assets	5	141,689,201	141,689,201
<b>Total non - current assets</b>		<b>7,248,249,904</b>	<b>7,330,812,585</b>
<b>Current assets</b>			
Inventories	6	318,728,805	331,057,122
Trade and other receivables	7	154,512,165	162,063,302
Prepayments		25,644,100	12,699,411
Bank deposits		1,386,070,605	1,245,073,268
Cash and cash equivalents	8	275,697,727	263,714,387
<b>Total current assets</b>		<b>2,160,653,402</b>	<b>2,014,607,490</b>
<b>Total assets</b>		<b>9,408,903,306</b>	<b>9,345,420,075</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>		<i>3,015,138,510</i>	<i>3,015,138,510</i>
<i>Inflation adjustment to share capital</i>		<i>195,502,743</i>	<i>195,502,743</i>
Share premium		31,474,149	31,474,149
Prepaid share reserve		21,553,537	21,553,537
Revaluation reserve		259,013,594	265,842,461
Retained earnings		4,067,982,885	3,977,101,856
<b>Total shareholder's equity</b>		<b>7,590,665,418</b>	<b>7,506,613,256</b>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Long term borrowings	9	1,058,668,279	1,087,961,815
Deferred income		139,860,450	143,446,616
Deferred income tax liability		159,090,754	163,087,603
Employee's benefits	10	41,261,808	31,907,053
<b>Total non - current liabilities</b>		<b>1,398,881,291</b>	<b>1,426,403,087</b>
<b>Current liabilities</b>			
Accounts payable and other liabilities	11	163,539,352	178,860,825
Current tax liability		25,585,544	6,431,972
Advance income		13,446,781	6,181,408
Current portion of long term borrowings	9	216,784,920	220,929,527
<b>Total current liabilities</b>		<b>419,356,597</b>	<b>412,403,732</b>
<b>Total liabilities</b>		<b>1,818,237,888</b>	<b>1,838,806,819</b>
<b>Total equity and liabilities</b>		<b>9,408,903,306</b>	<b>9,345,420,075</b>

*The accompanying notes 1 - 19 are an integral part of these interim condensed individual financial statements.*

*The above translation of the interim condensed individual financial statements of S.N. Nuclearelectrica S.A. is provided as a free translation from Romanian, which is the official and binding version.*

**S.N. Nuclearelectrica S.A.**

Condensed Individual Profit and Loss Account for the three months period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

	Note	3 - months period ended on March 31, 2017 (unaudited)	3 - months period ended on March 31, 2016 (unaudited)
<b>Revenues</b>			
Sales of electricity	13	483,910,118	446,432,316
Electricity transmission revenues		3,706,727	11,321,171
<b>Total revenues</b>		<b>487,616,845</b>	<b>457,753,487</b>
Other income		7,380,161	(3,319,128)
<b>Operating expenses</b>			
Depreciation and amortization		(122,892,851)	(119,055,466)
Personnel expenses	14	(76,943,874)	(67,952,824)
Cost of traded electricity		(8,474,290)	(2,413,899)
Repairs and maintenance		(12,213,683)	(16,749,315)
Electricity transportation expenses		(3,706,727)	(11,321,171)
Costs with spare parts		(3,756,343)	(1,754,185)
Cost of uranium fuel		(37,551,984)	(39,178,963)
Other operating expenses	15	(121,978,220)	(120,031,281)
<b>Total operating expenses</b>		<b>(387,517,972)</b>	<b>(378,457,104)</b>
<b>Operating result</b>		<b>107,479,034</b>	<b>75,977,255</b>
Finance cost		(19,133,109)	(22,106,103)
Finance income		17,294,934	32,405,776
<b>Financial net (cost)/income</b>	16	<b>(1,838,175)</b>	<b>10,299,673</b>
<b>Profit before income tax</b>		<b>105,640,859</b>	<b>86,276,928</b>
Net income tax expenses	12	(21,588,697)	(19,415,463)
<b>Profit of the period</b>		<b>84,052,162</b>	<b>66,861,465</b>

The individual interim condensed financial statements presented at pages 1 - 19 were signed on May 10, 2017 by:

Daniela Lulache  
Chief Executive Officer

Mihai Darie  
Chief Financial Officer

*The accompanying notes 1 - 19 are an integral part of these interim condensed individual financial statements.  
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**S.N. Nuclearelectrica S.A.**

Condensed Individual Statement of the Comprehensive Result for the three months period ended as at March 31, 2017  
(All the amounts are expressed in RON, unless specified otherwise.)

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	Note	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
<b>Profit for the period</b>		<b>84,052,162</b>	<b>66,861,465</b>
Other items of the comprehensive income		-	-
<b>Comprehensive income for the period</b>		<b>84,052,162</b>	<b>66,861,465</b>
<b>Earnings per share</b>			
Basic earnings per share (Ron/share)	17	0.28	0.22
Diluted earnings per share (Ron/share)	17	0.28	0.22

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**S.N. Nuclearelectrica S.A.**

Condensed Individual Statement of Changes in Equity for the three months period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

	Share capital	Share capital premiums	Prepaid share reserve	Revaluation reserve	Retained earnings	Total equity
<b>Balance as at January 1, 2017 (audited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>265,842,461</b>	<b>3,977,101,856</b>	<b>7,506,613,256</b>
<b>Comprehensive income for the period</b>						
<i>Profit for the period</i>	-	-	-	-	84,052,162	84,052,162
<i>Other items of comprehensive income</i>	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>84,052,162</b>	<b>84,052,162</b>
Transfer of revaluation reserve to retained earnings	-	-	-	(6,828,867)	6,828,867	-
<b>Balance as at March 31, 2017 (unaudited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>259,013,594</b>	<b>4,067,982,885</b>	<b>7,590,665,418</b>

*The accompanying notes 1 - 19 are an integral part of these interim condensed individual financial statements.*

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**S.N. Nuclearelectrica S.A.**

Condensed Individual Statement of Changes in Equity for the three months period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

	<b>Share capital</b>	<b>Share capital premiums</b>	<b>Prepaid share reserve</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance as at January 1, 2016 (audited, restated)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>293,329,577</b>	<b>3,936,724,775</b>	<b>7,493,723,291</b>
<b>Comprehensive income for the period</b>						
<i>Profit for the period</i>	-	-	-	-	66,861,465	66,861,465
<i>Other items of comprehensive income</i>	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>66,861,465</b>	<b>66,861,465</b>
Transfer of revaluation reserve to retained earnings	-	-	-	(6,885,492)	6,885,492	-
<b>Balance as at March 31, 2016 (unaudited)</b>	<b>3,210,641,253</b>	<b>31,474,149</b>	<b>21,553,537</b>	<b>286,444,085</b>	<b>4,010,471,732</b>	<b>7,560,584,756</b>

*The accompanying notes 1 - 19 are an integral part of these interim condensed individual financial statements.*

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**S.N. Nuclearelectrica S.A.**

Condensed Individual Statement of Cash Flows for the three months period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>105,640,859</b>	<b>86,276,928</b>
<b>Adjustments for:</b>		
Depreciation and amortization	122,892,851	119,055,466
Impairment loss on trade and other receivables	848	776
Impairment loss on inventories	(116,686)	133,829
Provisions	11,630,496	(2,015,959)
Gain from assets disposal impact and impairment of non - current assets	(734)	(20,372)
Net finance expenses/(income)	1,904,758	(10,315,330)
<b>Changes in:</b>		
Decrease in trade and other receivables	6,541,372	22,744,869
Decrease in inventories	12,481,170	7,287,437
Variation in deferred income	3,679,207	(18,893,830)
Variation in prepayments	(12,944,689)	(12,695,467)
(Decrease)/Increase in accounts payable and other liabilities	(23,214,718)	34,320,541
<b>Cash flows related to operating activities</b>	<b>228,494,734</b>	<b>225,878,888</b>
Income tax paid	(6,431,972)	-
Interest received	4,085,240	5,551,049
Interest paid	(240,987)	(368,266)
<b>Net cash related to operating activities</b>	<b>225,907,015</b>	<b>231,061,671</b>
<b>Cash flows related to investment activities</b>		
Purchase of intangible assets	(9,633)	(2,286,520)
Purchase of tangible assets (property, plant and equipment)	(34,391,955)	(16,393,884)
Proceeds from sale of property, plant and equipment	734	22,671
Increase in bank deposits	(140,997,337)	(197,560,468)
<b>Net cash used in investment activities</b>	<b>(175,398,191)</b>	<b>(216,218,201)</b>
<b>Cash flows related to financing activities</b>		
Payments of borrowings	(38,518,582)	(28,747,812)
Payments of dividends	(6,902)	(3,740)
<b>Net cash used in financing activities</b>	<b>(38,525,484)</b>	<b>(28,751,552)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,983,340</b>	<b>(13,908,082)</b>
<b>Cash and cash equivalents as at January 1 (refer to Note 8)</b>	<b>263,714,387</b>	<b>257,376,819</b>
<b>Cash and cash equivalents as at March 31 (refer to Note 8)</b>	<b>275,697,727</b>	<b>243,468,737</b>

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## **S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

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### **1. REPORTING ENTITY**

Societatea Nationala Nuclearelectrica S.A. (the "Company" or "SNN") is a national joint - stock company, one - tier management system, having a head office and two branches without legal personality, CNE Cernavoda (Nuclear Power Plant) – office in Constanta, Cernavoda, Medgidiei Street, 2, Trade Register no. J13/3442/2007 and FCN Pitesti (Nuclear Fuel Factory) – office in Arges, Mioveni, Campului Street, 1, Trade Register no. J03/457/1998. The registered office of SNN is located in Bucharest, District 1, Polona Street, 65. The company's main activity is "Electricity generation" - CAEN code 3511 recorded in the Trade Register under number J40/7403/1998, tax number 10874881, fiscal attribute RO.

The Company's main activity consists in electricity and thermal energy generation by nuclear processes. The main place of business is within the Branch CNE Cernavoda, where the Company owns and operates two operational nuclear reactors (Unit 1 and Unit 2). The two nuclear operational reactors are based on CANDU technology (Canada Deuterium Uranium type PHWR). Besides, at Cernavoda the Company owns other two nuclear reactors in the early stages of construction (Unit 3 and Unit 4). The construction of Units 3 and 4 was planned to be completed by the subsidiary Energonuclear S.A.; currently, there is a new strategy to continue the project Units 3 and 4, approved by the Extraordinary General Meeting of Shareholders on August 22, 2014 (for more information please see Note 5).

The Company also owns a reactor (Unit 5) for which the Company shareholders approved in March 2014 the change of the initial destination, namely, the use of Unit 5 for carrying out the activities related to the operation of Units 1 and 2. The project intended to change the initial destination of Unit 5 is currently being implemented and it is expected to be finalized during 2018. Unit 5 is fully depreciated, since there was no plan to continue its construction as a nuclear unit.

Manufacturing of nuclear fuel bundles CANDU type required for operating the two nuclear operational reactors located in the Branch CNE Cernavoda is performed by the Company in the Branch FCN Pitesti.

Since November 4, 2013, the shares of the Company have been traded on the Bucharest Stock Exchange, under the issuing symbol SNN.

As at March 31, 2017 the shareholders of the Company are: The Romanian State through the Ministry of Energy which holds 248,736,619 shares representing 82.4959% of the share capital, Fondul Proprietatea S.A. which holds 27,408,381 shares representing 9.0903% of the share capital and other natural persons and legal entities shareholders holding together 25,368,851 shares, representing 8.4138% of the share capital.

### **2. BASIS OF PREPARATION**

#### **a) Statement of compliance**

The individual condensed financial statements have been prepared in accordance with the Order of the Ministry of Public Finance no. 2844/19.12.2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards ("IFRS") ("OMPF 2844/2016"). As per OMPF 2844/2016, the International Financial Reporting Standards represent the standards adopted in accordance with the procedure provided by the European Commission Regulation no. 1.606/2002 of the European Parliament and Council dated July 19, 2002 regarding the application of the international accounting standards.

These interim individual financial statements were prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union, They do not include all the necessary information for a complete set of financial situations according to the International Financial Reporting Standards („IFRS”) and they must be read along with the annual financial statements of the Company, issued on December 31, 2016. Nevertheless, certain explanatory

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

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notes are included in order to explain the events and transactions that are significant for understanding the modifications interfered in the financial position and in the Company performance from the last individual annual financial statements and for the financial year ended on December 31, 2016.

The condensed interim individual financial statements as at and for the period ended on March 31, 2017 are not audited and were not reviewed by an independent auditor.

These condensed interim individual financial statements were authorized to be issued and signed on May 10, 2017 by the management of the Company.

**b) Use of estimates and professional judgements**

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

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

Information about assumptions that have a significant risk of resulting in a material adjustment within the next financial years is included in Note 5 (continuity of the activity carried out by Energonuclear S.A.).

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the individual financial statements as at and for the year ended on December 31, 2016.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied for the preparation of the interim individual condensed financial statements are in compliance with the ones used for the preparation of the annual individual financial statements of the Company for the financial year ended on December 31, 2016.

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

(All the amounts are expressed in RON, unless specified otherwise.)

**4. PROPERTY, PLANT AND EQUIPMENT**

	Land	Nuclear power plants	Machineries, equipment and other assets	Non-current assets in progress	TOTAL
<b>Cost</b>					
<b>Balance as at January 1, 2016 (audited)</b>	<b>34,025,989</b>	<b>5,415,577,164</b>	<b>1,493,559,233</b>	<b>979,523,186</b>	<b>7,922,685,571</b>
Additions	-	-	13,256,072	93,305,636	<b>106,561,708</b>
Transfers	-	164,223,252	29,262,697	(193,485,949)	-
Inventories transfer	-	-	-	289,417	<b>289,417</b>
Transfer in intangible assets	-	-	-	(13,717,629)	<b>(13,717,629)</b>
Disposals	-	-	(1,477,663)	(5,851,327)	<b>(7,328,990)</b>
<b>Balance as at December 31, 2016 (audited)</b>	<b>34,025,989</b>	<b>5,579,800,416</b>	<b>1,534,600,339</b>	<b>860,063,334</b>	<b>8,008,490,077</b>
<b>Balance as at January 1, 2017 (audited)</b>	<b>34,025,989</b>	<b>5,579,800,416</b>	<b>1,534,600,339</b>	<b>860,063,334</b>	<b>8,008,490,077</b>
Additions	-	-	18,995	40,337,709	<b>40,356,704</b>
Transfers	-	-	1,119,692	(1,119,692)	-
Spare parts transfer	-	-	-	(36,167)	<b>(36,167)</b>
Disposal	-	-	(397,103)	-	<b>(397,103)</b>
<b>Balance as at March 31, 2017 (unaudited)</b>	<b>34,025,989</b>	<b>5,579,800,416</b>	<b>1,535,341,923</b>	<b>899,245,184</b>	<b>8,048,413,511</b>
<b>Amortization and adjustment for depreciation</b>					
<b>Balance as at January 1, 2016 (audited)</b>	<b>2,801,117</b>	<b>29,408,719</b>	<b>268,386,048</b>	<b>147,534,136</b>	<b>448,130,020</b>
Depreciation charges	51,838	346,011,604	113,783,192	-	<b>459,846,634</b>
Accumulated depreciation of disposals	-	-	(1,463,222)	-	<b>(1,463,222)</b>
Adjustments for intangible assets depreciation	187,914	-	-	(6,698,248)	<b>(6,510,334)</b>
<b>Balance as at December 31, 2016 (audited)</b>	<b>3,040,869</b>	<b>375,420,323</b>	<b>380,706,018</b>	<b>140,835,888</b>	<b>900,003,098</b>
<b>Balance as at January 1, 2017 (audited)</b>	<b>3,040,869</b>	<b>375,420,323</b>	<b>380,706,018</b>	<b>140,835,888</b>	<b>900,003,098</b>
Depreciation charges	-	89,310,322	28,971,418	-	<b>118,281,740</b>
Accumulated depreciation of disposals	-	-	(397,103)	-	<b>(397,103)</b>
Adjustments for intangible assets impairment	-	-	-	(5,745)	<b>(5,745)</b>
<b>Balance as at March 31, 2017 (unaudited)</b>	<b>3,040,869</b>	<b>464,730,645</b>	<b>409,280,333</b>	<b>140,830,143</b>	<b>1,017,881,991</b>
<b>Carrying amount</b>					
<b>Balance as at January 1, 2016 (audited)</b>	<b>31,224,872</b>	<b>5,386,168,445</b>	<b>1,225,173,185</b>	<b>831,989,050</b>	<b>7,474,555,551</b>
<b>Balance as at December 31, 2016 (audited)</b>	<b>30,985,120</b>	<b>5,204,380,093</b>	<b>1,153,894,321</b>	<b>719,227,446</b>	<b>7,108,486,979</b>
<b>Balance as at March 31, 2017 (unaudited)</b>	<b>30,985,120</b>	<b>5,115,069,771</b>	<b>1,126,061,590</b>	<b>758,415,041</b>	<b>7,030,531,520</b>

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## **S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

Machinery, equipment and other assets mainly include the first load of heavy water used for Units 1 and 2, with a net carrying amount on March 31, 2017 amounting to 378,159,536 RON (December 31, 2016: 383,525,007 RON) and administrative buildings with a net carrying amount on March 31, 2017 amounting to 310,588,589 RON (December 31, 2016: 315,465,551 RON).

As at March 31, 2017, the carrying value of Units 3 and 4 recognized in the the group "Non-current assets in progress" amounts to 273,960,000 RON (December 31, 2016: 273,960,000 RON). Before 1991 the nuclear Units 1, 2, 3, 4 and 5 were considered as a single project and therefore the construction costs incurred had not been allocated per unit. Subsequently, the Company allocated the costs for the construction of Units 3 and 4 of the nuclear power plant and for Unit 5.

The carrying amount of the heavy water specially purchased for the Units 3 and 4 is of 158,470,146 RON (December 31, 2016: 158,470,146 RON) representing approximately 75 tons. This asset is present within the group „Non-current assets in progress”.

The main investments made by the Company during the three months period ended at March 31, 2017 for projects in progress related to Units 1 and 2 include:

- Construction of storage and loading facilities for spent nuclear fuel (DICA) amounting to 7,313,917 RON (2016: 8,116,594 RON);
- Mounting of the access gates into the water inlet chamber amounting to 173,442 RON (2016: 4,296,668 RON).

The main investments commissioned during the 3 - months period ended on March 31, 2017 relates mainly to the extension of the CNE Cernavoda Scada system for two units amounting to 434,313 RON.

On March 31, 2017, the carrying amount of the assets under construction related to Unit 3 and Unit 4 amounts to 506,845,786 RON (December 31, 2016: 507,024,049 RON). On March 31, 2017, the remaining difference up to 758,415,040 RON (December 31, 2016: 719,227,446 RON) represents the non - current assets under construction related to Unit 1 and Unit 2, such as: D2O detritiation installation amounting to 63,230,074 RON, improvement of the nuclear safety systems after Fukushima amounting to 11,874,797 RON, construction of facilities for storage and loading premises for the nuclear fuel used (DICA) amounting to 31,059,309 RON, extension of Unit 1 life time by 25 years compared to the designed life time amounting to 7,119,054 RON.

As at March 31, 2017, the Company purchased fixed assets on credit from suppliers amounting to 15,756,684 RON (December 31, 2016: RON 9,115,482).

### *Decommissioning of nuclear units*

The nuclear power Unit 1 is scheduled to operate until 2026 and Unit 2 until 2037. The Company did not record provision for decommissioning of these two units, due to the fact it is not responsible for the decommissioning, According to Government decision no, 1080/5 September 2007, the Nuclear Agency and Radioactive Waste (ANDR) is responsible for collecting the contributions paid by the Company for the remaining useful life of these units and assume the responsibility for the management of the entire decommissioning process at the end of useful lives of the units, and also for the permanent storage of the resulting waste by the end of the useful lives of the two units (see Note 15), The expense with the contributions of the Company to ANDR during the 3 - months period ended as at March 31, 2017 amounts to 23,379,141 RON (3 – months period ended as at March 31, 2016 : 24,427,713 RON).

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## S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

(All the amounts are expressed in RON, unless specified otherwise.)

### *Pledged assets*

As at March 31, 2017, respectively December 31, 2016, the Company has no pledged or mortgaged assets.

## 5. FINANCIAL INVESTMENTS

The financial investments are mainly represented by the investment in Energonuclear S.A. („Energonuclear”). As at March 31, 2017 and December 31, 2016, the Company owns 100% of the share capital of Energonuclear S.A. The participation value at March 31, 2017 and December 31, 2016 is of 141,666,101 RON.

### *Continuation of the activity of Energonuclear*

The uncertainties regarding Energonuclear’s capacity to continue its activity mentioned and explained in detail through the annual financial statements as at and for the period ended on December 31, 2016 and maintained as at March 31, 2017.

On January 31, 2017, the Negotiation Commission approved the proposal to continue the negotiations on the Investment Documents under the same conditions of the MoU, being initiated formalities for obtaining a mandate from the Inter-ministerial Commission, the Romanian Government and that General Meeting of Shareholders on further negotiations.

On March 6, 2017, the Inter-ministerial Commission endorsed the Commission's proposal on further negotiations and submission for approval by the Romanian Government of a memorandum in this regard. Further negotiations can take place after approval in the General Meeting of Shareholders.

Thus, in the next period some decisions are expected from the competent authorities (Ministry of Energy, Government of Romania) and from the General Meeting of Shareholders that will render official the continuing of the negotiating process which had the last term December 20, 2016.

Considering the above mentioned issues, as well as the negotiations phase with the Investor selected for development of CNE Cernavoda Units 3 and 4 project, the Company management is confident that the project developed by Energonuclear S.A. to be continued by a new project company will continue in the future and there will be a future request for the electric power that is going to be produced by the Units 3 and 4. Thus, the Company management considers that the investment in Energonuclear S.A. will be recovered, according to the Strategy.

## 6. INVENTORIES

As at March 31, 2017 and December 31, 2016 the inventories are as follows:

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Spare parts	133,324,794	130,820,218
Consumables and other materials	46,941,777	45,107,372
Nuclear fuel	104,640,025	102,355,393
Uranium	29,224,370	49,372,687
Other inventories	4,597,839	3,401,452
<b>Total</b>	<b>318,728,805</b>	<b>331,057,122</b>

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

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**7. TRADE AND OTHER RECEIVABLES**

As at March 31, 2017 and December 31, 2016 the trade and other receivables are as follows:

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Trade receivables	138,266,655	137,740,298
Provisions for trade receivables	(12,847,593)	(12,846,744)
Other receivables	11,407,040	13,079,870
Provisions for other receivables	(3,468,965)	(3,468,965)
Taxes and duties	21,155,028	27,558,843
<b>Total</b>	<b>154,512,165</b>	<b>162,063,302</b>

As at March 31, 2017, the main trade receivables in the balance are from: Electrica Furnizare S.A. – 34,046,222 RON (December 31, 2016: 30,893,082 RON), Ezpada S.R.L. – 12,737,249 RON (December 31, 2016: 5,160,064 RON), Alpiq Romindustries S.R.L. – 12,300,439 RON (December 31, 2016: 4,980,931 RON), Tinmar Energy S.A. – 11,083,107 RON (December 31, 2016: 6,423,471 RON).

**8. CASH AND CASH EQUIVALENTS**

As at March 31, 2017 and December 31, 2016, cash and cash equivalents are as follows:

	<b>March 31, 2017</b>	<b>December 31, 2016</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Cash at bank in RON	260,377,239	262,257,016
Cash at bank in foreign currency	15,320,488	1,457,371
<b>Total cash and cash equivalents</b>	<b>275,697,727</b>	<b>263,714,387</b>

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

(All the amounts are expressed in RON, unless specified otherwise.)

**9. BORROWINGS**

Reimbursements of borrowings during the 3 - months period ended on March 31, 2017 were as follows:

	Currency	Interest rate	Value	Due date (year)
<b>Balance as at January 1, 2017</b>			<b>1,345,420,230</b>	
New issues				
<b>Reimbursements, out of which:</b>			<b>(38,518,582)</b>	
Societe Generale - ALSTOM BC	EUR	EURIBOR 6M + 0.450%	-	2017
Societe Generale - ANSALDO BC	EUR	EURIBOR 6M + 0.450%	-	2022
Societe Generale - AECL BC	CAD	CDOR 6M + 0.375%	-	2022
Societe Generale - NEXANS BC	EUR	EURIBOR 6M + 0.450%	-	2017
Societe Generale - GENERAL ELECTRIC	USD	LIBOR 6M + 0.070%	(6,355,102)	2017
EURATOM	EUR	EURIBOR 6M + 0.08%	(32,163,480)	2024
<b>Exchange rate differences</b>			<b>1,794,706</b>	
<b>Balance as at March 31, 2017</b>			<b>1,308,696,354</b>	

As at March 31, 2017 and December 31, 2016 the long - term borrowings from credit institutions were as follows:

	March 31, 2017 (unaudited)	December 31, 2016 (audited)
Societe Generale - ALSTOM BC	2,425,884	2,420,553
Societe Generale - ANSALDO BC	192,454,544	192,031,669
Societe Generale - AECL BC	383,580,962	383,665,096
Societe Generale - NEXANS BC	3,047,353	3,040,658
Societe Generale - GENERAL ELECTRIC	6,293,371	12,710,203
EURATOM	720,894,240	751,552,050
<b>Total long - term borrowings from credit institutions</b>	<b>1,308,696,354</b>	<b>1,345,420,229</b>
<b>Less: Current amount of long - term borrowings</b>	<b>(222,085,858)</b>	<b>(228,197,074)</b>
<b>Less: Balance of transaction costs (long term)</b>	<b>(27,942,217)</b>	<b>(29,261,340)</b>
<b>Total long - term borrowings net of the current amounts</b>	<b>1,058,668,279</b>	<b>1,087,961,815</b>

As at March 31, 2017 the financial indicators required by EURATOM have been fulfilled.

As at March 31, 2017 and December 31, 2016 the short - term borrowings are as follows:

	March 31, 2017 (unaudited)	December 31, 2016 (audited)
Current portion of long - term borrowings	222,085,858	228,197,074
Accrued interests related to the long - term borrowings	1,970,617	560,850
Short - term transaction costs	(7,271,555)	(7,828,397)
<b>Total short - term borrowings</b>	<b>216,784,920</b>	<b>220,929,527</b>

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## S.N. Nuclearelectrica S.A.

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

(All the amounts are expressed in RON, unless specified otherwise.)

### 10. EMPLOYEE BENEFITS

As at December 31, 2016, the employee benefits amounting to 31,907,053 RON include the provision for employee benefits granted by the Company under the Collective Labor Agreement ("CLA") of the Company,

The CLA in force for 2017 provides the possibility of granting, starting with the date of approval of the income and expenditure budget for 2017, to the Company's employees who retire from SNN and cumulatively fulfill the condition of having at least 15 years of seniority in electrical or thermal energy, out of which the last 10 years before retirement being employees of SNN, a retirement allowance in the form of a share of 1,200 kW of electricity, which is granted in one tranche on the date of retirement in the form of a benefit whose gross value amounts to 8,500 RON (value determined on actuarial basis); this benefit may be granted to employees who retire from SNN starting with March 29, 2017, when SNN's revenue and expenditure budget for 2017 was approved, given that the approval of the inclusion of the amounts in the income and expenditure budget was a condition for the entry into force of the benefit.

On March 31, 2017, in order to record the provision for this payment obligation, the Company hired the actuary expert to determine the obligation value existing on March 31, 2017. Thus, according to the actuarial report prepared for March 31, 2017 for the valuation of this obligation, the provision recorded on March 31, 2017 for reflecting the obligation in relation to this new long - term benefit granted to the employees amounts to 9,354,754 RON and is reflected in both employee benefit obligations and personnel expenses (see Note 14).

Thus, as at March 31, 2017, the employee benefits amounting to 41,261,808 RON include both, the provision for employee benefits granted by the Company under the CLA as in force as at December 31, 2016 and the provision for retirement benefits for employees in the form of an aid for the payment of electricity bills, starting with March 29, 2017.

### 11. TRADE AND OTHER RECEIVABLES

As at March 31, 2017 and December 31, 2016, trade and other receivables are as follows:

	<b>March 31, 2017 (unaudited)</b>	<b>December 31, 2016 (audited)</b>
Property, plant and equipment suppliers	15,756,684	9,115,482
Suppliers	79,792,967	96,439,435
Employee benefits	12,144,962	15,102,120
Payables to the State	18,326,430	23,155,206
Dividends to be paid	303,080	295,306
Other payables	37,215,229	34,753,276
<b>Total</b>	<b>163,539,352</b>	<b>178,860,825</b>

As at March 31, 2017, the main suppliers in balance are: Apele Romane Bucuresti – 11,557,300 RON (December 31, 2016: 11,792,224 RON), General Electric Wilmington – Romanian Branch – 9,800,437 RON (December 31, 2016: 3,186,240 RON), General Concrete S.R.L. - 7,371,899 RON (December 31, 2016: 3,400,806 RON) and Titan Echipamente Nucleare S.A. – 6,363,212 RON (December 31, 2016: 3,851,772 RON).

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

(All the amounts are expressed in RON, unless specified otherwise.)

**12. INCOME TAX**

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

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
Current tax expense	25,585,544	21,851,927
Deferred tax release	(3,996,847)	(2,436,464)
<b>Total</b>	<b>21,588,697</b>	<b>19,415,463</b>

**13. INCOMES FROM THE ELECTRICITY SALES***(i) Incomes from the electric power sales*

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
Sales of electricity on regulated market	50,084,742	96,065,328
Sales of electricity on free market	432,702,943	349,376,185
Sales of thermal energy	1,118,342	986,172
Revenues from green certificates sales	4,091	4,631
<b>Total</b>	<b>483,910,118</b>	<b>446,432,316</b>

*(ii) Quantity of sold energy*

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
Quantity of energy sold on regulated market (MWh)	313,437	590,175
Quantity of energy sold on free market (MWh)	2,465,255	2,212,391
<b>Total</b>	<b>2,778,692</b>	<b>2,802,566</b>

The Company is a participant in the balancing market, but also a Responsible Party in the balancing, according to the conventions concluded with the transport and system operator Transelectrica S.A. The quantity of energy sold presented does not include the quantity of energy corresponding to the income from positive unbalances valued on the Balancing Market, amounting 10,527 MWh for the 3 – months period ended on March 31, 2017 (8,182 Mwh for the 3 – months period ended on March 31, 2016).

The Company is developing the activity of producing thermal energy by exploiting the energetic capacities corresponding to the units for producing electrical and thermal energy consisting in two heat switches with a full thermal power of 40 Gcal/h and 46.51 MW. The Company delivers thermal energy to the local thermal energy distribution company S.C. Utilitati Publice S.A. Cernavoda, as well as to other final consumers in the locality Cernavoda – business entities, social-cultural institutions. The sales of thermal energy in the first quarter of 2017 amount to 1,118,342 RON (March 31, 2016: 986,172 RON).

The Romanian energy sector is regulated by the National Regulatory Authority for Energy ("ANRE"), an autonomous public institution. The Romanian electricity market is in a process of gradual liberalization by the end of

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

2017. The company participates in the electricity market both on the competitive segment and on the regulated market. ANRE establishes, by annual decisions, the quantities of electricity to be sold by the Company on the regulated market and the regulated prices to be applied in the current year. Regulated prices are based on economically justified costs; the regulated prices are set on the basis of economically justified costs, respectively cost plus profit margin, using a methodology approved by ANRE. During the 3 - months period ended March 31, 2017, the Company sold approximately 11% of the regulated energy market (21% in the 3 – months period ended March 31, 2016). The total amount of electricity sold during the 3 – months period ended March 31, 2017 is 2,789,218 MWh compared to 2,810,748 MWh sold during the 3 – months period ended March 31, 2016. The medium selling price of electricity on the regulated market for the 3 – months period ended March 31, 2017 is 159.57 RON/MWh compared to 162.71 RON/MWh in the 3 - months period ended March 31, 2016, net of the tariff for the energy transport service paid to Transelectrica S.A. for the introduction of electricity into the electricity transmission network.

**14. PERSONNEL EXPENSES**

As at March 31, 2017 the personnel expenses amount to 76,943,874 RON (March 31, 2016: 67,952,824 RON) and include as follows:

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
Salaries and allowances	60,719,510	51,775,930
Expenses with social security and assimilated	16,224,364	16,176,894
<b>Total</b>	<b>76,943,874</b>	<b>67,952,824</b>

The expenses with salaries and allowances also include the provision for employee long - term benefits.

Thus, as at March 31, 2017, salaries and allowances amounting to 60,719,510 RON (March 31, 2016: 51,775,930 RON) also include the provision regarding the benefits granted to the employees in the form of an aid for the payment of electricity bills totally amounting to 9,354,754 RON (see Note 10).

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

(All the amounts are expressed in RON, unless specified otherwise.)

**15. OTHER OPERATING EXPENSES**

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
Third party services	19,821,409	11,689,834
Expenses with ANDR	23,379,141	24,427,713
Energy and water	19,186,752	19,682,289
Fuels and other consumables	7,791,736	8,173,108
Insurance policies	3,618,824	3,543,705
Transport and telecommunication	1,339,873	1,499,672
Tax on special constructions	-	983,238
Tax on buildings	37,253,371	41,306,758
Other operating expenses	9,587,114	8,724,964
<b>Total</b>	<b>121,978,220</b>	<b>120,031,281</b>

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

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

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

In 2014 and 2015, based on the Fiscal Code applicable at that time (Law no. 571/2003, with subsequent amendments and completions), the Company owed special construction tax for the two nuclear power plants, Starting with 2016, the new Tax Code (Law no. 227/2015) does no longer except the nuclear power plants from the definition of a building, thus, there is an obligation for the Company to pay the tax on non - residential buildings belonging to legal entities for the two nuclear power plants to the City Council in Cernavoda. In the same time, given that the Company owes the building tax, it no longer owes the special construction tax in 2016 for the two nuclear power plants.

Unlike the special construction tax, abolished from 2017, the building tax will be due by the Company in the future, in the absence of the reintroduction of the exception from the definition of a building of the nuclear power plants, together with the hydroelectric and thermoelectric power stations, exception that was provided in the old Fiscal Code in Section 250(1),

Tax on non - residential buildings belonging to legal entities is set at between 0.2% and 1.3% of the taxable value of those buildings, which may be increased by up to 50% under some conditions by the local authorities, For the year 2016, the Cernavoda Local Council established the tax rate on non - residential buildings owned by legal entities at 0.5% of the taxable value, value which remains unchanged in 2017,

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**S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

As at March 31, 2017 the tax on buildings amounts to 37,253,371 RON (March 31, 2016: 41,306,758 RON). According to IFRIC 21, the Company has integrally recognized these payables and their related expenses for the first quarter of 2017 and respectively 2016.

**16. FINANCIAL INCOMES AND EXPENSES**

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
Interest income	3,076,315	4,332,988
Foreign exchange gains	14,218,619	28,072,788
<b>Total financial income</b>	<b>17,294,934</b>	<b>32,405,776</b>
Foreign exchange losses	(15,606,390)	(18,273,096)
Interest expense	(3,526,719)	(3,833,007)
<b>Total financial expenses</b>	<b>(19,133,109)</b>	<b>(22,106,103)</b>
<b>Net financial (expenses)/income</b>	<b>(1,838,175)</b>	<b>10,299,673</b>

**17. EARNINGS PER SHARE**

As at March 31, 2017 and March 31, 2016 the earnings per share is as follows:

*(i) Basic earnings per share*

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
<b>Net profit for the period</b>	<b>84,052,162</b>	<b>66,861,465</b>
Number of the ordinary shares at the beginning of the period	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-
Weighted - average number of ordinary shares at the end of the period	<b>301,513,851</b>	<b>301,513,851</b>
<b>Basic earnings per share (RON/share)</b>	<b>0.28</b>	<b>0.22</b>

*(ii) Diluted earnings per share*

	<b>3 - months period ended on March 31, 2017 (unaudited)</b>	<b>3 - months period ended on March 31, 2016 (unaudited)</b>
<b>Net profit for the period</b>	<b>84,052,162</b>	<b>66,861,465</b>
Number of ordinary shares at the beginning of the period	301,513,851	301,513,851
Number of ordinary shares issued during the period	-	-
Number of ordinary shares at the end of the period (a)	301,513,851	301,513,851
Number of shares corresponding to the reserve payed in advance (b)	-	-
<b>Weighted - average number of ordinary shares (diluted) as at March 31 (a) + (b)</b>	<b>301,513,851</b>	<b>301,513,851</b>
<b>Diluted earnings per share (RON/share)</b>	<b>0.28</b>	<b>0.22</b>

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## **S.N. Nuclearelectrica S.A.**

Notes to the Individual Interim Condensed Financial Statements prepared as at and for the three month period ended as at March 31, 2017

*(All the amounts are expressed in RON, unless specified otherwise.)*

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### **18. CONTINGENCIES AND COMMITMENTS**

#### **(i) Ongoing litigations**

During the 3 - months period ended on March 31, 2017, the Company was subject to a number of legal actions arising in the normal course of business. The Company's management regularly analyze the pending litigations, and after consultation with its legal advisors or external lawyers decide the need to create provisions for the amounts involved or their presentation in the financial statements.

In the opinion of the Company's management currently there are no legal actions or claims with significant impact on the financial result and financial position of the Company that has not been presented in these interim condensed individual financial statements.

#### **(ii) Commitments**

On March 31, 2017, the Company undertakes to support the operating and investment costs according to the ongoing contracts for investments and current operations, in the normal course of basic business.

### **19. EVENTS SUBSEQUENT TO THE REPORTING DATE**

#### *Controlled disconnection of Unit 1*

Starting with May 2, 2017 at 01:00 PM, Unit 1 of the Cernavoda NPP was disconnected from the National Power System ("NPS") for maintenance works which, according to the power plant procedures, can only be done with the reactor disconnected. The maintenance works involve the replacement of some components for Unit 1 systems and represent scheduled activities in accordance with the needs and procedures of the plant.

Starting with May 5, 2017, 07:00 AM, Unit 1 was resynchronized to the National Power System, according to the controlled shutdown program. The period of controlled disconnection of NPP Unit 1 was correlated both with the necessity to carry out the scheduled maintenance activities of the installations, as well as with the scheduled shutdown of Unit 2 at CNE Cernavoda.

#### *Scheduled shutdown of Unit 2*

Starting with May 6, 2017, Unit 2 of the Cernavoda NPP entered in a sheduled shutdown for an estimated period of 30 days.

Scheduled shutdowns are considered projects of the Company, initiated with approximately 24 months before the scheduled date, with a project management team, implementation chart, adequate human and budget resources planning. Each nuclear power plant goes into planned shutdown every 2 years in order to carry out repair and maintenance works, so that in 2017 the planned shutdown of Unit 2 take place.

#### *Appointment of temporary members of the Board of Directors*

By Resolution no. 2/24.04.2017 of the GMS was approved the appointing of temporary members of the Board of Directors, for a period of 4 months, starting April 26, 2017. By Decision no. 64/3.05.2017, the Board of Directors appointed Mr. Iulian Robert Tudorache as President of the Board of Directors.

Also, by Decision no. 50/11.04.2017, the Board of Directors approved the extension of the CEO mandate of Mrs. Daniela Lulache, for a period of 4 months, starting with May 1, 2017.

Daniela Lulache  
Chief Executive Officer

Mihai Darie  
Chief Financial Officer

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## **QUARTERLY REPORT**

**of the Board of Directors of S.N. NUCLEARELECTRICA S.A.  
for the period 1<sup>st</sup> January - 31<sup>st</sup> March 2017**

**1st Quarter 2017**

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 corporate 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. 2844/2016 based on the International Accounting Standard 34 – “*Interim Financial Reporting*”

**May 2017**

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## 1. FOREWORD

The quarterly report of the Board of Directors for the 1<sup>st</sup> quarter of 2017 is prepared in compliance with Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public companies, as subsequently amended and with the Administration Contracts concluded between the administrators and S.N. Nuclearelectrica S.A. ('SNN' or 'the Company'), valid for the 1<sup>st</sup> quarter of 2017.

## 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. 2844/19.12.2016 for the approval of the Accounting regulations in accordance with the International Financial Reporting Standards, based on the International Accounting Standard 34 – „Interim Financial Reporting”. The presented indicators are in lei (RON), if not mentioned otherwise.

### 2.1. Individual statement of the financial position as at 31 March 2017

The financial position as at 31 March 2017 is presented in **Appendix 1**.

Thousand RON	31 March 2017 (not audited)	31 December 2016 (audited)	Variation
Non-current assets	7,248,250	7,330,813	-1.1%
Current assets	2,160,653	2,014,607	7.2%
<b>Total assets</b>	<b>9,408,903</b>	<b>9,345,420</b>	<b>0.7%</b>
Non-current liabilities	1,398,881	1,426,403	-1.9%
Current liabilities	419,357	412,404	1.7%
<b>Total liabilities</b>	<b>1,818,238</b>	<b>1,838,807</b>	<b>-1.1%</b>
<b>Shareholder's equity</b>	<b>7,590,665</b>	<b>7,506,613</b>	<b>1.1%</b>
<b>Total equity and liabilities</b>	<b>9,408,903</b>	<b>9,345,420</b>	<b>0.7%</b>

The **non-current assets** registered a slight drop compared to the level registered as at 31 December 2016, especially due to a drop of the net value of the tangible assets during the period ended on 31 March 2017 compared to 31 December 2016. The impact of the depreciation expense was compensated partially by investments performed mainly in the projects in progress related to Units 1 and 2 of CNE Cernavoda.

The **current assets** recorded an increase of 7.2% compared to 31 December 2016, due mainly to the increase by 10.1% in cash (cash and cash equivalents and bank deposits having a maturity over three months), as well as due to trade and other receivables collection, which recorded a drop of 4.7%.

The **non-current liabilities** have decreased by 1.9%, a drop determined by the installments payment related to the external loans contracted with Societe Generale and EURATOM for the completion and commissioning of the Cernavoda NPP Unit 2 and by the registration, as at 31 March 2017 of the provision for employees benefits given at the pension date for the countervalue of 1,200 kW/year of electricity after the pension date, valued to RON 8,500 on actuarial basis, respectively RON 9.4 million, a value recorded based on the actuarial report prepared by an actuary expert employed by the company .

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As at 31 March 2017, the increase by 1.7% of **current liabilities** is due, mainly, to the increase by 117.5% in prepayments from customers, related to the electricity delivered immediately after the reporting period, as well as due to the recognition of income tax due for Q1 2017. These increases were compensated partially by the drop in trade and other payables by 8.6%, as well as by the drop by 1.9% of the current portion of the long term loans, compared to 31 December 2016.

## 2.2. Profit and loss account for the period ended as at 31 March 2017

During the period ended as at 31 March 2017, SNN recorded a net profit of 84.052 thousand RON.

Thousand RON	3 months period ended at 31 March 2017	3 months period ended at 31 March 2016	Variation
<b>Production (GWh)*</b>	2,766	2,803	-1.3%
Operating income, out of which:	494,997	454,434	8.9%
<i>Income from the sale of electricity**:</i>	<i>483,910</i>	<i>446,432</i>	8.4%
Operating expenses	(264,625)	(259,403)	2.0%
<b>EBITDA</b>	<b>230,372</b>	<b>195,031</b>	<b>18.1%</b>
Depreciation and amortization	(122,893)	(119,055)	3.2%
<b>EBIT</b>	<b>107,479</b>	<b>75,976</b>	<b>41.5%</b>
Net finance (expense)/ income	(1,838)	10,300	n/a
Income tax expenses	(21,589)	(19,415)	11.2%
<b>Profit net</b>	<b>84,052</b>	<b>66,861</b>	<b>25.7%</b>

\*Electricity produced and delivered by CNE Cernavoda in the National Energetic System.

\*\*Including income from sales of thermal energy, insignificant in total income.

The operational profit (EBITDA) has increased by 18.1% compared to the same period of the previous year, following an increase of the operational income by 8.9%, mainly influenced by an increase by 8.4% of the income from electricity sales. During Q1 2017, the quantity of electricity sold on regulated market was 47% smaller compared to Q1 2016, effect of the ongoing process of gradual liberalization of the electricity market, based on the delivery schedule established for 2017 by ANRE. In the same time, an increase by 11% of the energy sold on the competitive market was registered. Compared to the same period of the previous year, the volume of electricity sold on the competitive market of the bilateral contracts increased by 10%, while the average sales price dropped by approx. 1% (price without Tg), while the electricity quantity sold on the Day Ahead competitive market was increased by 20% compared to the similar period of last year, benefiting by an increase of the average selling price on this market of 87% (price without Tg).

The operating expenses increased by 2% during Q1 2017 compared to Q1 2016, mainly due to an increase in personnel costs by 13.2%, determined by the recognition of provision regarding the employees pension benefits for an electricity quantity after the pension date, in monetary equivalent at the retiring date, respectively 9.4 mil RON, partially compensated by the drop of approx. 2% of the other costs under operating expenses.

The depreciation and amortisation expenses slightly increased by 3.2% compared to the same period of last year, mainly due to the put in function of several investments in the period subsequent to the 1<sup>st</sup> Q of 2016.

The net currency exchange rate differences have negatively influenced the net result of the company,

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therefore during Q1 2017 a net financial expense was registered, while in the same period of the previous year a net financial income was registered. The main currencies to which the company is exposed to are: EUR, CAD and USD.

The profit and loss account for the period ended on 31 March 2017 is presented in **Appendix 2**.

### 2.3. Execution of the Budget of revenues and expenses as at 31 March 2017

The budget of revenues and expenses for 2017 (“BVC”) was approved by the Resolution of General Meeting of Shareholders no 1/29.03.2017.

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

The BVC execution as at 31 March 2017 is presented in **Annex 3** to the current report.

Analyzing the execution of the BVC for 31 March 2017 (**Annex 3**), the planned operating income were fulfilled 100.6% and the operating expenses were by 13.2% below the budget. The performance degree of the total income is 98.9%, higher than the realization degree of total costs of 86.3%.

## 3. OPERATIONAL ACTIVITIES

### 3.1. Electricity production

In the 1<sup>st</sup> quarter of 2017, the two units of the Cernavoda NPP produced a quantity of electricity of 3,003,631 MWh (brutto) and delivered to the National Energy System 2,766,310 MWh. The difference, respectively 237 thousand MWh, is represented by the own consumption of the units during operation, as well as during the unplanned and scheduled outages registered at Unit 1 during January 2017.

The electricity production program approved by the Board of Directors of SNN for 2017 took into account a quantity of energy produced and delivered of 2,718,109 MWh for Q1 2017 and this has been achieved in a percentage of 101.77%.

Compared with the 1<sup>st</sup> quarter of 2016, when a quantity of energy of 2,802,381 MWh was produced and delivered to the National Energy System, an drop by 1.29% of the net electricity production was recorded.

The capacity factors, recorded by each of the two units of Cernavoda NPP in the 1st quarter of 2017, as well as cumulated since in service (Unit 1 on December 2, 1996 and Unit 2 on November 1, 2007) until March 31<sup>st</sup> 2017, were as follow:

CNE Cernavoda Unit	January 2017	February 2017	March 2017	Cumulated 2017	Cumulated since commissioning
Unit 1	95.33%	98.71%	100.73%	98.24%	90.47%
Unit 2	100.08%	100%	100.02%	100.03%	94.92%

The smaller value of the capacity factor at Unit 1 CNE Cernavoda reflects the influence of the two outages occurred during January 2017. On January 6<sup>th</sup>, 2017 an unplanned outage occurred at Unit 1, for a period of 13.8

hours, being caused by external causes, due to bad weather, and during January 10 – 11<sup>th</sup>, 2017 a scheduled outage occurred at Unit 1, for a period of 7.4 hours, for performing certain maintenance works at the excitation system of the turbo-generator.

### 3.2. Electricity sales

The quantities of electricity sold in the 1<sup>st</sup> quarter 2017 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 1<sup>st</sup> quarter 2017

Sales on types	Quantities in MWh	% of total sales	Price (RON/MWh Tg included)	Sales of electricity, Tg included (RON)
Regulated contracts	313,437	11.24%	161.13	50,504,749
Sales on the competitive market (PZU and PI contracts) out of	2,465,254	88.39%	175.95	433,762,590
- sales on PCCB-LE, PCCB-NC, PCSU and supply contracts	2,057,703	73.77%	164.34	338,166,268
- sales on PZU and PI	407,551	14.61%	234.56	95,596,322
Positive imbalances on balancing market	10,527	0.38%	211.56	2,227,073
<b>Total sales for 1<sup>st</sup> quarter 2017</b>	<b>2,789,218</b>	<b>100,00%</b>	<b>174.42</b>	<b>486,494,412</b>

Regarding the electricity transactions during the 1<sup>st</sup> quarter 2017, 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 2,789,218 MWh, with 0.77% over the sales program, of 2,767,838 MWh and 0.77% smaller than the electricity volume sold during Q1 of 2016. The difference between the sold energy and the delivered electricity by Cernavoda NPP is represented by the electricity bought for covering the contractual obligations, electricity that has been purchased mainly from the Balancing Market.
- The income achieved on the electricity market related to the energy delivered in the 1<sup>st</sup> quarter of 2017 is of 486,494,412 RON higher by 3.36% than the value considered in the BVC for 2017 (portion for Q1) and higher by 6.51% compared to the results from the same period of last year.

The average weighted sales price for the sold quantities of energy (without the balancing market), resulted in the 1st quarter 2017, is of 174.28 RON/MWh (including Tg). In the 1st quarter 2016, the average weighted sales price was of 162.91 RON/MWh (including Tg).

In January and February 2017, the selling price obtained by SNN on PZU were on average higher than the selling prices from the bilateral contracts concluded by SNN on OPCOM. The average PZU price published by OPCOM for January and February 2017 increased by 83%, respectively 105% compared to January and February 2016, and the prices obtained by SNN on PZU followed this increased trend of the market.

SNN electricity sales were performed, as in the previous periods, based on regulated contracts, 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 (PZU and PI).

The quantities of electricity sold based on contracts concluded on the regulated market were in compliance with

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ANRE Decision no. 1960/14.12.2016. Compared to the year 2016, ANRE reduced the regulated annual quantities from 14.42% to 5.85% of Cernavoda NPP's planned production for the year 2017, the regulated quantities attributed to SNN in the first quarter of 2017 being of 8.33% and in the 2<sup>nd</sup> semester of 2017 of 3.58% from the scheduled production of CNE Cernavoda for 2017. Within the process of eliminating the regulated tariffs, ANRE established the regulated quantities for the first quarter of 2017 at 11.5% of Cernavoda NPP's planned production for the period, compared to the first quarter of 2016, when the percentage was of 21.6%.

ANRE has established for SNN a regulated price of 159.57 RON/MWh (without TG). This value represents a drop by 1.93% of the price established in 2016 for the regulated market by the Resolution of ANRE no. 2562/16.12.2015, the value of which was of 162.71 RON/MWh (without TG).

During Q1 of 2017, for the sale of electricity on the regulated market, to the regulated price is added the regulated tariff for introducing electricity in the transportation network (T<sub>g</sub>), from 1.34 lei/MWh (decreased from 4.04 lei/MWh starting July 2016 by the ANRE Order no. 27/22.06.2016).

Out of the effective production of Cernavoda NPP during the 1st quarter of 2017, a percentage of 11.33% was delivered on regulated contracts (Q1 2016: 21.06%), representing the quantity of 313,437 MWh established by ANRE to be delivered in Q1 2017.

The quantities of electricity sold on the competitive market of bilateral contracts represented, in the 1st quarter of the year 2017, a percentage rate of 73.77% of the total volume of the energy sold. The average sale price on bilateral contracts for the 1st quarter of 2017 was of 164.34 RON/MWh (TG included), recording an decrease of 2.1% compared to the average price recorded in the 1st quarter of 2016, of 167.89 RON/MWh.

On the spot market, during the 1st quarter of 2017, SNN sold a quantity of electricity representing 14.61% of the total sales volume, compared to a percentage of 12.12% registered in the 1st quarter 2016. The average sales price of the electricity on the spot market achieved by SNN during this period was of 234.56 RON/MWh (TG included), compared to 128.66 RON/MWh registered for the same period of the year 2016.

During Q1 of 2017, SNN ran 134 energy sales contracts, as follows:

- 6 regulated contracts (with addendums concluded for 2017);
- 78 contracts concluded on PCCB-LE;
- 45 contracts concluded on PCCB-NC;
- 4 contracts concluded on PCSU;
- 1 supply contract (with addendum concluded for 2017).

During Q1 of 2017, the delivery of electricity was interrupted for a single contract concluded on PCCB-LE, as the customer did not paid on due time the invoices for the delivered electricity. The receivables were recovered in a significant proportion through the execution of a bank letter of guarantee issued, according to the contract, in favor of SNN.

There were no other significant delays compared to the due terms stipulated in the contracts during Q1 of 2017.

### **3.3. Expenses on the electricity market**

During the 1st quarter of 2017, the total estimated expenses of SNN on the electricity market, due by SNN, amounted to 12,339,684 RON.

Out of this amount, the taxes for the introduction of the electricity in the transportation grid (corresponding to the T<sub>g</sub> – regulated tariff paid to C.N.T.E.E. Transelectrica S.A.), the value of the green certificates necessary to

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be purchased for the supplied energy and the taxes implied by OPCOM for the sale-purchase transactions, represent 3,814,527 RON.

During the 1st quarter 2017, expenses on the balancing spot market amounted to 1,184,795 RON were recorded (Q1 2016: 25,187 lei), in order to meet the contractual obligations for electricity delivery for the period during the two outages of Unit 1, the acquired electricity being of 4,202 MWh (Q1: 2016: 157 MWh), at an average price of 281.99 RON/MWh (Q1 2016: 160.84 RON/ MWh).

During Q1 of 2017, expenses on the Balancing Market amounted to 7,289,495 lei (Q1 2016: 2,387,982 lei). This amount represents the counter value of the energy received from the Balancing Market for compensating the negative unbalances, which occurred due to the differences between the volumes of energy effectively delivered and the volumes notified in the market according to the daily estimate for each hourly interval, the value of the unbalance since the notification and the additional cost from the system's unbalance, allotted to SNN based on applying the new methodology to distribute additional costs/income from the system balancing, starting January 1<sup>st</sup>, 2017, established by the ANRE Order no. 51/21.09.2016. The costs for the unbalances were higher during Q I of 2017 in comparison with the similar period of 2016, due to the two interruptions from January 2017 from Unit 1.

### 3.4. Investment program as at 31 March 2017

The total value of the investment program of SNN for 2017 is of 231,593 thousand RON (without the component for the payment of debt service), program approved by the Decision no. 1/29.03.2017 of the SNN GMS.

The structure of the investment program of SNN for the year 2017 as well as the achievement degree on 31 March 2017 is presented in the table below:

No. crt.	Branch	Investments in progress [thousand RON]	New investments [thousand RON]	Investment in current assets (modernizations) [thousand RON]	Equipment [thousand RON]	Total investment program [thousand RON]	Completion degree as at 31.03.2017 (%)
1	SNN Headquarter	11,020	5,352	-	1,855	18,227	0.03%
2	CNE Cernavoda Branch	107,935	14,110	1,925	72,789	196,759	18.25%
3	FCN Pitesti Branch	300	366	5,641	10.300	16,607	3.20%
	<b>TOTAL</b>	<b>119,255</b>	<b>19,828</b>	<b>7,566</b>	<b>84,944</b>	<b>231,593</b>	<b>15.74%</b>

As in the previous years, the greatest weight in the investment program is that of the long term investments (in progress). This is due to the necessities of 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 of the Romanian energetic sector.

The comparative situation of the achieved investment (values and percentages) for the first quarter of 2017 compared to the first quarter of 2016, is represented in the table below.

Year	Investment program value [thousand]	Achieved during the 1 <sup>st</sup> quarter (1.01-31.03)	Completion stage for 1 <sup>st</sup> quarter (1.01-31.03) (%)
2017	231,593	36,451	15.7%
2016	255,394	26,671	10.4%

***Analysis of the completion stage of the investment program as at 31 March 2017*****SNN Headquarter**

The value of the investment program of the SNN Head Office amounts to 18,227 thousand RON and among the main investments on which the investment program was designed for SNN Headquarter are:

- The SNN contribution within the IPP type company for the completion of the Units 3 and 4 estimated at 8,920 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; this investment shall be performed subsequently to creating a new project company, for the development of Units 3 and 4 project;
- „ELINI capitalization (European Liability Insurance for Nuclear Industry)” estimated to 5,352 thousand lei (the equivalent of 1,200 thousand euro), representing the company’s contribution as new member of the Mutual European Association of Civil Responsibility Insurance for Nuclear Damage („ELINI”), with the purpose of benefiting from the association’s advantages; approval of the adherence to ELINI is the responsibility of SNN GMS;
- „Consolidation of the Magheru Office” estimated to 2,100 thousand RON. During 2016, was opened the land book for the two undivided units (5<sup>th</sup> and 6<sup>th</sup> floors) and was registered the land of SNN in surface of 239.05 sqm; the effective investment was not started until the end of Q1 2017, the building having several co-owners.

**CNE Cernavoda Branch**

The investment program of CNE Cernavoda Branch for the year 2017 amounts to 196,759 thousand RON and among the most important investments which were at the base of this dimensioning we mention:

- “The improvement of the CNE Cernavoda response, respectively the nuclear safety functions, in case of events outside the design basis as a consequence of Fukushima 1 nuclear power plant incident, Japan”: 41,079 thousand RON;
- “Interim spent fuel storage facility (including SICA U2)”: 23,743 thousand RON;
- “Upgrade and extension of the physical protection system”: 16,150 thousand RON;
- “Replacement of the control part of the excitation system 2-41220-PL 1615 from Unit 2 due to multiple reliability issues”: 11,738 thousand RON;
- „Increasing safety in the operation of the power evacuation system from CNE Cernavoda, by retooling the power evacuation transformers and ensuring a spare trafo for two units”: 8,284 thousand RON;
- „Installing access gates in the area of the supply/pre-heater water input room”: 4,070 thousand RON;
- „Extension of the life span of Unit 1 by re-tubing the reactor and retooling the main systems (studies)”: 4,000 thousand RON.



The performance degree of the investment program of CNE Cernavoda Branch at the end of Q1 2017 is 18.25%.

The value of the main investment objectives provided in the SNN investment program for 2017 is 80,972 thousand RON.

The degree of implementation of the major investment objectives at the end of first quarter of 2017, compared to the investments program of SNN is of 9.54%, according to the table below:

Project code	Project name/ Investment objective	2017		Completion stage (%)
		Planned BVC [thousand RON]	Achieved until 31.03.2017 [thousand RON]	
PJ-05-016	Interim spent fuel storage facility (including SICA U2)	23,743	7,719	32.51%
PJ-04-001	Upgrading and expansion of the physical protection system	16,150	-	-
PJ-11-006	Improvement of the CNE Cernavoda 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	41,079	2	-
<b>Total</b>		<b>80,972</b>	<b>7,721</b>	<b>9.54%</b>

SNN General Ordinary Meeting of Shareholders of 29.03.2017 approved the update of appendix 1 and appendix 1.1 for 2017 to the administration contracts concluded between the administrators and the Company, the completion stage of the major investments objectives being minimum 5% for Q1 2017. Considering this stage, an accomplishment degree of 190.80% results from the provided target.

Among activities performed during the process of major projects until the end of Q1 2017, we mention:

- „Intermediate burn fuel storage (including SICA Unit 2)”: were delivered the necessary chimneys for the intermediate storage of burned fuel according to the contractual graphic; the design services for the extension of the location of the Intermediate Burned Fuel and replacing the models type MACSTOR 200 with modules type MACSTOR 400 starting with module 10 were finished; the design services for the environment documentation for the current evaluation step for the project "CTRF and DICA Extension" integrated with the activities currently developed on the CNE Cernavoda platform were finished; the building works for module 8 type MACSTOR 200 were finished at the date of the present document, the works acceptance being scheduled for the following period; the building works for module 9, type MACSTOR 200, preparation of the foundation rock and casting the addition concrete for module 10 are ongoing according to the contractual graphic; the physical protection works contracting for module 8 cumulates delays in the acquisition process, determined by the law changes and remaking, in several steps, of the documents associated to this process; the bad weather conditions from the winter months generated delays in finishing module 8 by approximately one month;
- „The upgrade and extension of the Physical protection system”: in October 2016 was finished the contracting of „Works with priority level 2, step 1 for completing the physical protection system at CNE Cernavoda”; from October 2016 and until the end of Q1 2017, the necessary steps were taken and the

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Industrial Security Certificate was obtained, which allows the initiation of the designing services; obtaining the Industrial Security Certificate before starting the design services and respectively the legal terms necessary for obtaining it (approximately 4 – 5 months) generated the postponing of activities for Q2 2017;

- „The improvement of the CNE Cernavoda response, respectively of the nuclear security functions in case of events outside the design basis following the nuclear accident occurred at Fukushima 1 nuclear power plant, Japan”: during the objective for changing the destination of the buildings existing on the location of Unit 5 the activities for the approval of the technical project are ongoing; regarding the refurbishment activities, vertically planning works have been developed, fillings with dirt for establishing the terrain, preparation, by demolition, of the foundation elements and cleaning the surfaces of the Integrated Building underground for the works of stabilized sand fillings, drilling the reinforced concrete walls of the Integrated Building for the door holes; during the objective for drafting the planning report and analysis of External Hazards applicable to the CNE site, during the course of 2016 were drafted three specific hazard reports, the continuation/termination of the other reports being conditioned by obtaining information regarding historical data and necessary estimates for planning the external hazards applicable for the CNE Cernavoda site – separate acquisition, not yet contracted; the evaluation and acceptance of the design packages and identification of certain new requirements (OSART recommendations) have generated delays, respectively postponing of terms from the implementing graphic of the project’s works.

### **FCN Pitesti Branch**

The value of the investment program for FCN Pitesti Branch amounts to 16,607 thousand RON, and among the most important investments which were at the base of dimensioning it, we mention:

- “Capital repairs of Feintool GKP-F 25/40 press”: 951 thousand RON;
- „Capital repairs of R53 rotating press”: 935 thousand RON;
- „Upgrade of the communication infrastructure, establishing the data center according to Standard TIA942-1 and implementing measures for reducing information security risk”: 900 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”: 728 thousand RON;
- “Hydro-insulating works for the buildings FCN: hall V, hall IV, Administrative Pavilion”: 680 thousand RON;
- „Capital repairs of HARPER II sintering oven”: 501 thousand RON;
- „Ventilation installation upgrade for physical-chemical laboratories”: 400 thousand RON.

The completion stage of the investment program for FCN Pitesti Branch at the end of Q1 2017 is 3.20 %.

Among activities performed during the investment projects until the end of Q1 2017, we mention:

- “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; the award documentation was finished according to the current legal provisions for the position “Automated systems for isocynetic collection of powder and gas from the dispersion chimneys”;
- “Hydro-insulating works for the buildings FCN: hall V, hall IV, Administrative Pavilion”: the awarding documentation for the acquisition procedure is ongoing to be finished;
- „Capital repairs of Feintool GKP-F 25/40 press”: ongoing acquisition procedure;
- „Communication infrastructure upgrade, refurbishment of the data center according to Standard TIA942-1 and implementing measures to reduce information security risk”: the performance is



conditioned by initiating the investment project called „Upgrade and integration of the information flow at the level of SNN”, estimated to be initiated starting 2018;

- „Capital repairs of HARPER II sintering oven”: this investment work was contracted, and the repair works are estimated to be finished during the next period;
- At the level of endowments, during 2016 were contracted and follow to be delivered and mounted during 2017, the equipment „sheath installations” and „Welding installation for tap-grid”. Also, the equipment „ H2 determination device in element” is ongoing to be contracted.

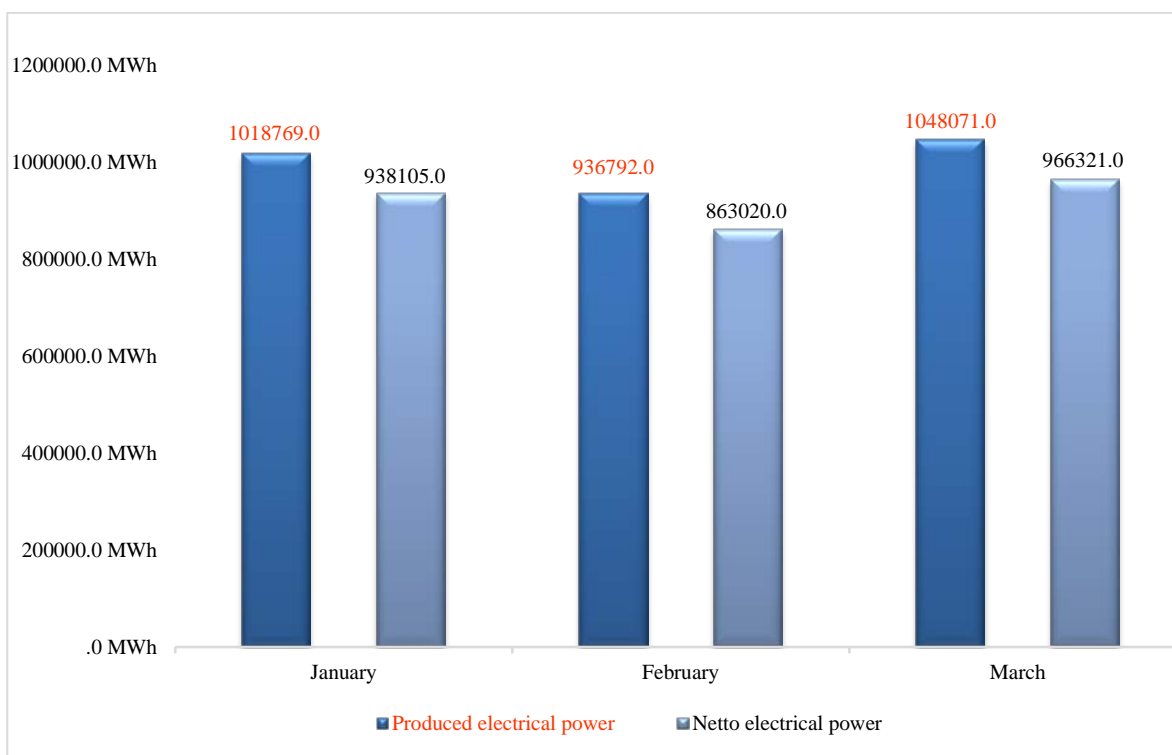
**3.5. The activity of CNE Cernavoda Branch**

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.

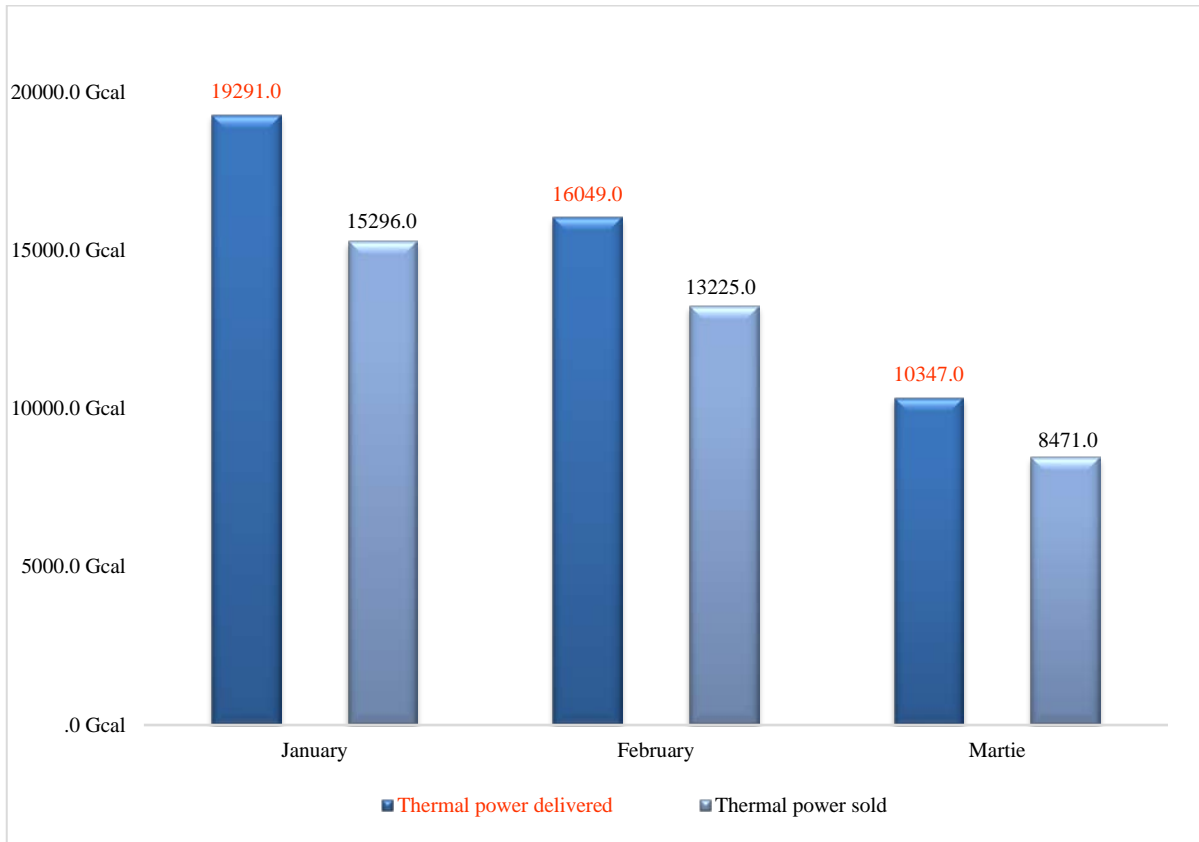
During the first quarter of 2017, there were no operation events exceeding level 1 on the international nuclear events scale, regarding the degradation of the in depth barriers, with impact on or off site (indicator 1).

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

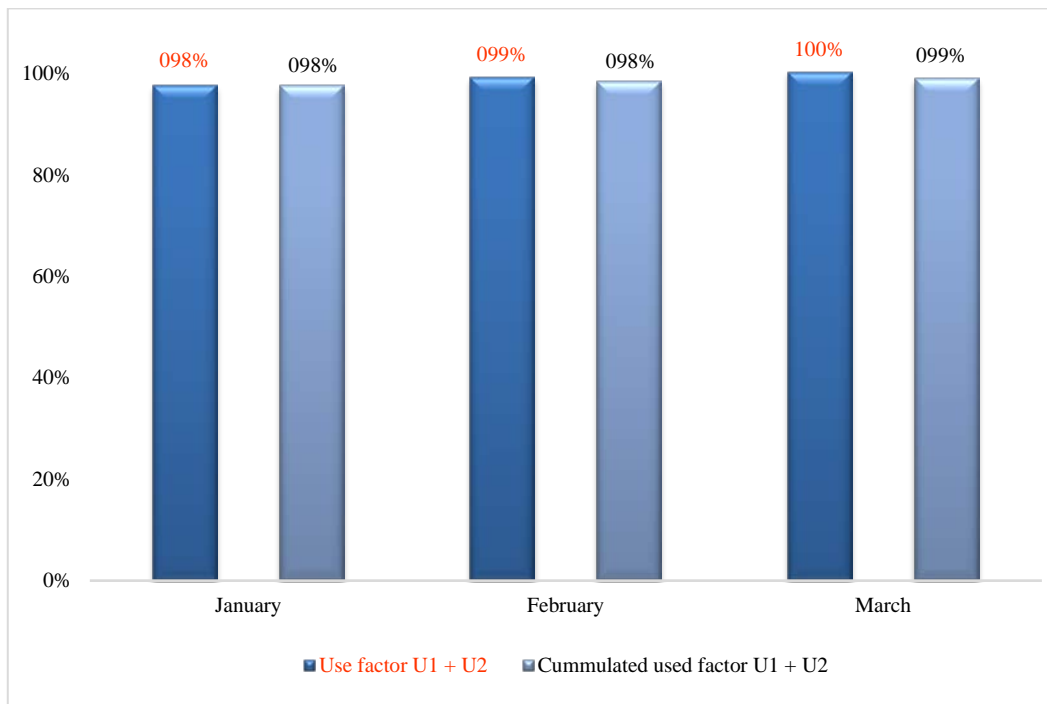
**Produced/net electricity U1 + U2 (MWh)**  
**(Produced electricity: 3,003,631 MWh / Net electricity: 2,767,440 MWh)**  
**(Cumulated technological consumption for the first quarter of 2017: 7.87%)**



**Thermal power delivered / sold to the district heating system (Gcal)  
(Delivered thermal power: 45,687 Gcal / Sold thermal power: 36,992 Gcal)**

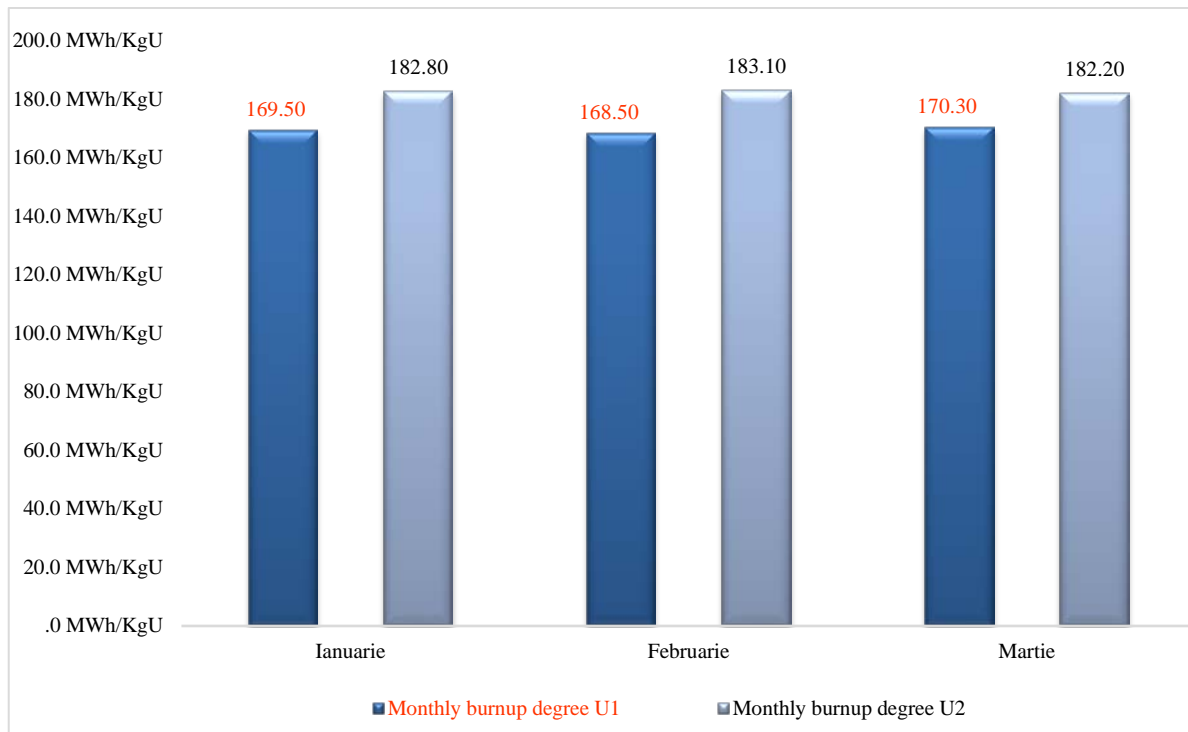


**Installed capacity used factor U1 + U2 (%)  
(Cumulated for the first quarter of 2017: 99.14%)**

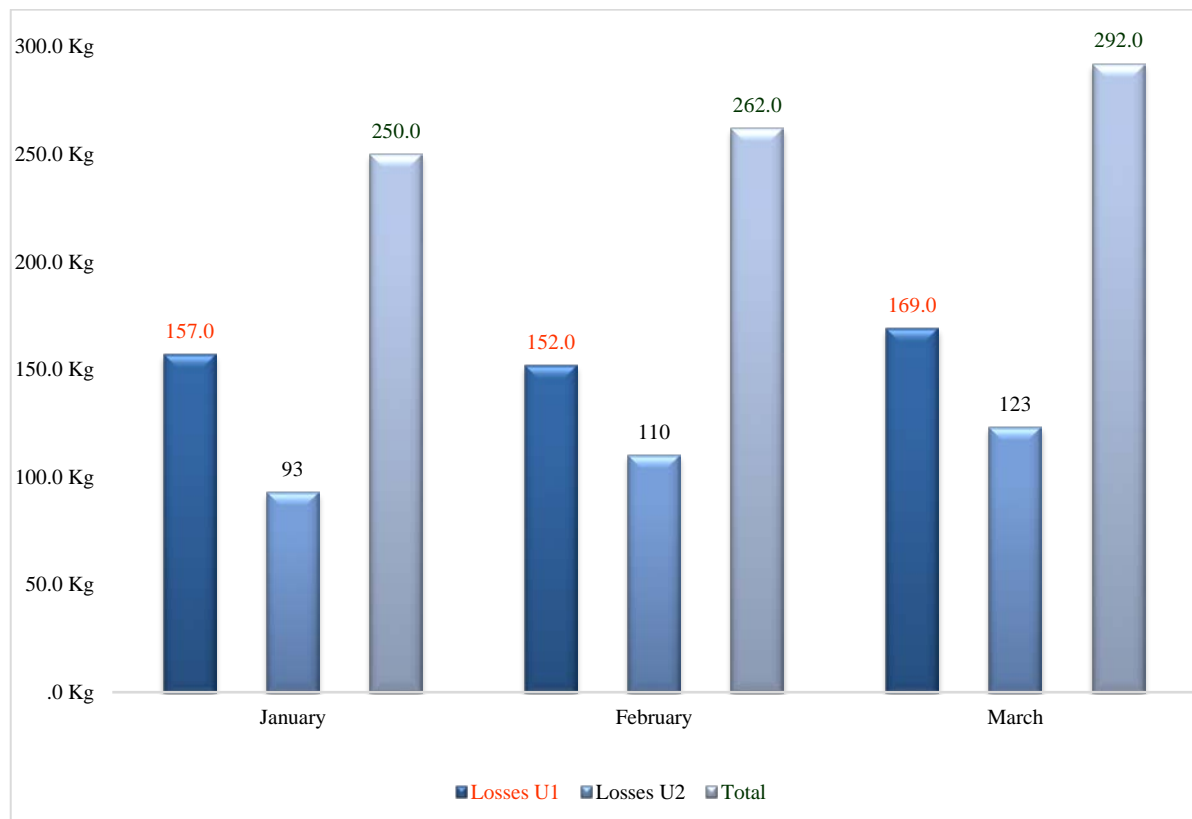


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**Fuel burnup factor (MWh/KgU)**  
**(Cumulated for the first quarter of 2017: 176,00 / Stipulated in the project: min. 156,00)**

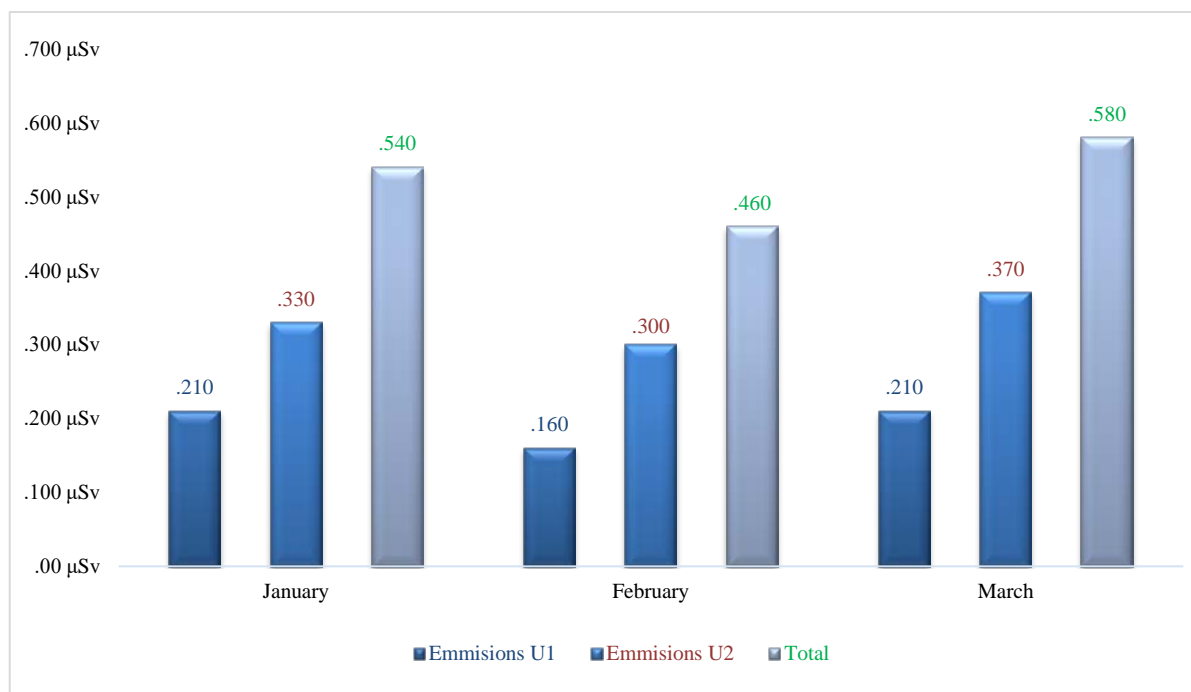


**Heavy water losses U1+U2 (Kg)**  
**(Cumulated in the first quarter of 2017: 804 / Stipulated: annually max. 6,800/unit)**



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**U1 + U2 radioactive emissions to the environment (μSv)**  
**(Total for the first quarter of 2017: 1,58/annual limit: 8,50)**



### 3.6. Activity of FCN Pitesti Branch

During the first quarter of 2017, FCN controlled and accepted, complying with the specifications, as per the manufacturing plan, a number of 3,106 nuclear fuel bundles, the production being increased by 54% compared to the same period of 2016 when were produced, controlled and accepted a number of 2,012 bundles.

FCN Pitesti Branch has delivered in the first quarter of 2017 to CNE Cernavoda the quantity of 2,160 nuclear fuel bundles, according to the agreed delivery chart (Q1 2016: 2,160 delivered bundles).

During the first quarter of 2017, sintered uranium dioxide powder was consumed for the weighted average price of 416.38 RON/kg, in stock at December 31, 2016, also purchased during the first quarter of 2017 from Cameco Inc. supplier.

## 4. OTHER SIGNIFICANT ASPECTS

### 4.1. CNE Cernavoda Units 3 and 4 Project

The main benchmarks for continuing the Cernavoda Units 3 and 4 Project are the following:

- By the SNN EGMS Decision no. 8/17.10.2016 the continuation of negotiations on the Investment Documents was approved under the same conditions of the Memorandum of Understanding for the development, construction, operation and decommissioning of Units 3 and 4 from CNE Cernavoda (“MoU”), until December 20, 2016, by applying all the other provisions of MoU.

- On October 20, 2016 new reviewed proposal of the Investors' Agreement was sent to CGN, and during the period October 24, 2016 – November 8, 2016 intensive sessions of negotiations took place. On November 10, 2016 the list of main aspects under divergence was finished, as well as the registration of aspects to be escalated by each party.
- During the period December 6 – 20, 2016 meetings took place between the Negotiation Committee and CGN, together with the consultants of the two Parties, for clarifying and reformulated certain clauses agreed upon during negotiations. Following those meetings, on December 20, 2016, because no agreement was reached in case of the Investment Documents, CGN expressed the availability to continue negotiations beyond the term of December 20, 2016.
- On January 31, 2017, the Negotiation Committee approved the proposal to continue negotiations on the Investment Documents under the same conditions of the MoU, until June 30, 2017, being initiated the formalities for obtaining a mandate from the Inter - Ministry commission, Romanian Government and respectively from the GMS to continue negotiations were initiated.
- On March 6, 2017, the Inter - Ministry Commission approved the proposal of the Negotiation Committee for continuing negotiations and forwarding for the approval of the Romanian Government of a memorandum in this regard. The continuation of negotiations may occur after the approval, within the Company's GMS.

Therefore, during the following periods decisions are expected from the competent authorities (Ministry of Energy, Romanian Government), as well as from the Company's GMS which shall lead to the certification of the negotiation process continuation with the last term on December 20, 2016.

#### **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 through which was 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 shares representing input in kind of the Romanian State following the receipt of the authorization certificate for the ownership right on the land undivided quota of 239.05 sqm from Bd. Magheru no. 33 Bucharest and input in kind representing the amount of the budget allowances for the period 2006 – 2009 for Unit 2 from Cernavoda.

The case is the object of the file no. 40046/2014, for which the Court of Law established a new trial term for May 9, 2017.

#### **4.3. Litigation initiated by Greenpeace CEE Romania Foundation and Bankwatch Romania Association against the Ministry of Environment, Water and Forests, Romanian Government and S.N. Nuclearelectrica S.A.**

The Greenpeace CEE Romania Foundation and the Bankwatch Romania Association drafted, in the File no. 3793/2/2013, a summons against the Ministry of Environment, Water and Forests, Romanian Government and SNN with the object the cancellation, by the path of administrative department, of the decision to issue the Environment Agreement and the Government Decision no. 737/2013 for the issuance of the Environment Agreement for the project "Continuing the building works and finishing Units 3 and 4 CNE Cernavoda".

The Bucharest Court of Appeal rejected, on the grounds, the claimant's request. The Greenpeace CEE Romania Foundation and the Bankwatch Romania Association submitted an appeal, requesting the invalidation of the decision and summoning the case for retrial, managing the proof with expertise.

By the Decision no. 2100/23.6.2016, The High Court of Cassation and Justice accepted the appeal, ruled the invalidation of the decision attacked and re-trial at the same court of law for managing the proof with expertise and establishing the efficiency of the public meeting regarding the Environment Agreement.

The Bucharest Court of Appeal accepted the reformulation of the expertise objectives proposed by SNN, appointed two legal advisers and two specialists going to perform the expertise and established their fees, informing the respondents to pay them.

Until this date, the requests drafted by the claimants in the sense of exempting the fee payment, were rejected, the last payment term given by the court of law being May 12, 2017.

#### 4.4. Major litigations

The situation of major litigations (amounting over 500 thousand RON) and of those not evaluated in cash ongoing on March 31, 2017, is presented in **Annex 4**.

### 5. THE MAIN ECONOMIC AND FINANCIAL INDICATORS AS AT 31.03.2017

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

Indicator <sup>*)</sup>	Method of calculation	M.U.	31.03.2017
<b>1. Current liquidity ratio</b>	Current assets/ Current	X	5.15
<b>2. Debt ratio</b>			
2.1. Debt ratio (1)	Non-current liabilities/ Equity x	%	16.8%
2.1. Debt ratio (2)	Non-current liabilities/ Capital employed x 100	%	14.4%
<b>3. Accounts receivable turnover ratio</b>	Average accounts receivables balance/ Turnover	days	23
<b>4. Non-current assets turnover ratio<sup>**)</sup></b>	Turnover/ Non-current assets	x	0.27

*\*) based on unaudited individual interim condensed financial statements on the date and for a the period of three months concluded on March 31<sup>st</sup>, 2017*

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

According to the provisions of art. 7.19 and art. 7.21 of the administration contracts concluded by the acting Board of Directors members on March 31<sup>st</sup>, 2017 ( for which mandate expired on 25.04.2017 ) and the Company, they have the following obligations:

- To quarterly submit within the General Meeting of Shareholders a report on the administration activity also including information regarding the performance of the managers' mandate contracts, details regarding the operational activities, company's financial performances and company's accounting reports;
- To prepare quarterly reports consisting in, but without a limitation to, the compliance degree of the performance criteria, considering the balance of each indicator and its variation towards the established target level, reports to be forwarded for the approval of the Company's General Meeting of Shareholders ( GMS), following that the awarding of the first sub-component of the variable component, as mentioned at art. 18 of the administration contracts, to be performed only on the approval of the quarterly reports.

Also, the administration contracts concluded by the Company with the members of the Board of Directors which mandate expired on 25.04.2017 provide at art. 23 the fact that the Company undertakes to pay all monies for the administrator, mentioned in the administration contract. Therefore, in order to comply with the contractual provisions of the acting Board of Directors members on March 31<sup>st</sup>, 2017 as well as in order to comply with the Company's obligations to calculate and provide the administrators with the remunerations, as established through the mandate contracts on March 31<sup>st</sup>, 2017, the compliance degree of the performance indicators was calculated based on the SNN Revenues and Expenses Budget approved by the GMS by the Decision no. 1/29.03.2017 and quarterly detailing of the budget, as well as based on Annexes 1 and 1.1 of the administration contracts concluded between the administrators and SNN, updated through the GMS decision no. 1/29.03.2017, consisting in the level of indicators and performance criteria for 2017, respectively also for Q1 2017.

The indicators were achieved in a proportion of over 100% in Q1 of 2017, as it results from Annex 5 (the compliance degree being in a proportion of 146.92%).

Regarding the compliance degree of the annual investment plan, according to Table 28 of the Administration Plan of the acting Board of Directors on March 31<sup>st</sup>, 2017 ("Administration Plan") and annual budgets, in determining the compliance degree of the investment plan are considered in the calculation only the investments mentioned in Table 28 of the Administration Plan, and the performance degree is limited to a maximum of 100% (performed vs. planned).

According to the contractual provisions, the provisions of the Articles of Incorporation and of the GEO no. 109/2011, the Board of Directors monitors including the quarterly reports of the managers, the mandate contracts performance; for information, the indicators and performance criteria included in the managers mandate contracts were performed in a proportion exceeding 100% in Q 1 of 2017 (136.30% CEO and CFO).

**Board of Directors**  
**Tudorache Iulian Robert**  
**President**

**CEO**  
**Daniela Lulache**

**CFO**  
**Mihai Darie**

***Note:** Considering that the quarterly reports is for Q1 of 2017 and during this period the Board of Directors had a different composition, as well as the fact that this report consisting also the compliance degree of indicators and performance criteria according to the current administration contracts for the respective period, after the approval by the General Meeting of Shareholders, there will be the base for paying the variable remunerations for the Board of Directors members not acting on the date of the document, the Report following to be sent for acknowledgement of each member of the Board of Directors with a mandate valid for the period 01.01.2017-31.03.2017 and no longer acting on the date of the present document.*

*The above translation of the Quarterly report of the Board of Directors for the period January 1<sup>st</sup> – March 31<sup>st</sup> 2017 is provided as a free translation from Romanian, which is the official and binding version.*

**Annex 1 – Financial position as at 31 March 2017**

	<b>31 March 2017</b> <b>(unaudited)</b>	<b>31 December 2016</b> <b>(audited)</b>
<b>Assets</b>		
<b>Non – current assets</b>		
Property, plant and equipment	7,030,531,520	7,108,486,979
Intangible assets	76,029,183	80,636,405
Financial assets	141,689,201	141,689,201
<b>Total fixed assets</b>	<b>7,248,249,904</b>	<b>7,330,812,585</b>
<b>Current assets</b>		
Inventories	318,728,805	331,057,122
Trade receivables and other receivables	154,512,165	162,063,302
Prepayments	25,644,100	12,699,411
Bank deposits	1,386,070,605	1,245,073,268
Cash and cash equivalents	275,697,727	263,714,387
<b>Total current assets</b>	<b>2,160,653,402</b>	<b>2,014,607,490</b>
<b>Total assets</b>	<b>9,408,903,306</b>	<b>9,345,420,075</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>	<i>3,015,138,510</i>	<i>3,015,138,510</i>
<i>Inflation adjustment to share capital</i>	<i>195,502,743</i>	<i>195,502,743</i>
Share premium	31,474,149	31,474,149
Prepaid share capital	21,553,537	21,553,537
Revaluation reserve	259,013,594	265,842,461
Retain earnings	4,067,982,885	3,977,101,856
<b>Total shareholder's equity</b>	<b>7,590,665,418</b>	<b>7,506,613,256</b>
<b>Liabilities</b>		
<b>Non – current liabilities</b>		
Long term loans	1,058,668,279	1,087,961,815
Deferred income	139,860,450	143,446,616
Deferred income tax liabilities	159,090,754	163,087,603
Employee's benefits	41,261,808	31,907,053
<b>Total non – current liabilities</b>	<b>1,398,881,291</b>	<b>1,426,403,087</b>
<b>Current liabilities</b>		
Accounts payables and other liabilities	163,539,352	178,860,825
Current income tax	25,585,544	6,431,972
Advance income	13,446,781	6,181,408
Current portion of long term loans	216,784,920	220,929,527
<b>Total current liabilities</b>	<b>419,356,597</b>	<b>412,403,732</b>
<b>Total liabilities</b>	<b>1,818,237,888</b>	<b>1,838,806,819</b>
<b>Total equity and liabilities</b>	<b>9,408,903,306</b>	<b>9,345,420,075</b>

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**Appendix 2 – Profit and loss account for the period ended as at 31 March 2017**

	<b>3 months period ended 31 March 2017 (unaudited)</b>	<b>3 months period ended 31 March 2016 (unaudited)</b>
<b>Revenues</b>		
Sales of electricity	483,910,118	446,432,316
Electricity transmission revenues	3,706,727	11,321,171
<b>Total revenues</b>	<b>487,616,845</b>	<b>457,753,487</b>
	7,380,161	(3,319,128)
Other income		
<b>Operating expenses</b>		
Depreciation and amortization	(122,892,851)	(119,055,466)
Personnel expenses	(76,943,874)	(67,952,824)
Cost of traded electricity	(8,474,290)	(2,413,899)
Repairs and maintenance	(12,213,683)	(16,749,315)
Electricity transportation expenses	(3,706,727)	(11,321,171)
Costs with spare parts	(3,756,343)	(1,754,185)
Cost of uranium fuel	(37,551,984)	(39,178,963)
Other operating expenses	(121,978,220)	(120,031,281)
<b>Total operating expenses</b>	<b>(387,517,972)</b>	<b>(378,457,104)</b>
	<b>107,479,034</b>	<b>75,977,255</b>
<b>Operating result</b>		
	(19,133,109)	(22,106,103)
Finance costs		
Finance income	17,294,934	32,405,776
<b>Net finance ( cost )/income</b>	<b>(1,838,175)</b>	<b>10,299,673</b>
	<b>105,640,859</b>	<b>86,276,928</b>
<b>Profit before income tax</b>		
Net income tax expense	(21,588,697)	(19,415,463)
<b>Net profit</b>	<b>84,052,162</b>	<b>66,861,465</b>

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## Appendix 3 – Execution of the Budget as at 31.03.2017

		Thousand RON				
		INDICATORS	No.	Q1 BVC 2017 – approved by the GEMS Decision no. 1/29.03.2017	Actual Q 1 2017	% performed vs. approved (col. 5/col. 4)
0	1	2	3	4	5	6=5/4
<b>I.</b>		<b>TOTAL INCOME (row 2 + row 5 + row 6)</b>	1	517,966	512,292	98.9%
	1	Total operating income, out of which:	2	491,951	494,997	100.6%
		c1 subsidies, as per legal provisions in force	3	-	-	-
		c2 transfers, as per legal provisions in force	4	-	-	-
	2	Financial income	5	26,015	17,295	66.5%
	3	Extraordinary income	6	-	-	-
<b>II</b>		<b>TOTAL EXPENSES (row 8 + row 20 + row 21)</b>	7	470,953	406,651	86.3%
	1	Operating expenses	8	446,557	387,518	86.8%
		A. Expenses with goods and services	9	162,701	111,662	68.6%
		B. Expenses with contributions, taxes and other duties, taxes and similar charges	10	68,839	63,981	92.9%
		C. Expenses with personnel	11	76,852	68,577	89.2%
	C0	Expenses with salaries and bonuses ( row 13 + row 14)	12	58,714	51,901	88.4%
	C1	Expenses with salaries	13	53,472	49,433	92.4%
	C2	Bonuses	14	5,243	2,468	47.1%
	C3	Other personnel costs, out of which:	15	259	238	92.0%
		Expenses for compensation payment corresponding to personnel layoff	16	-	-	-
	C4	Expenses corresponding to mandate contract and other management and control bodies, commissions and committees	17	492	214	43.4%
	C5	Expenses with social security and protection, special funds and other legal obligations	18	17,387	16,224	93.3%
		D. Other operating expenses	19	138,165	143,298	103.7%
	2	Financial costs	20	24,396	19,133	78.4%
	3	Extraordinary expenses	21	-	-	-
<b>III</b>		<b>GROSS RESULT (profit/loss )</b>	22	47,013	105,641	224.7%
<b>IV</b>		<b>INCOME TAX</b>	23	10,126	21,589	213.2%
<b>V</b>		<b>ACCOUNTING PROFIT AFTER TAX</b>	24	36,887	84,052	227.9%

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**Appendix 4 – SNN major litigations as at 31 March 2017 (over 500 th RON), including the monetary unevaluated ones**

No.	File number SNN	Court of Law	SNN position	Opponent	Object / Value	Current process stage	Description	Process stage term
1.	3868/118/2012	Constanta Court of Law	Creditor	S.C.Proconex Universal S.R.L.	Receivable RON 3,369,886.85	On the merits of the case	Company under bankruptcy	11.09.2017
2.	2183/115/2010	Caras-Severin Court of Law	Creditor	Cet Energoterm Resita S.A.	Receivable RON 580.974,21	On the merits of the case	Company under bankruptcy.	15.06.2017
3.	48031/299 / 2010	Sector 1 Court of Law	Civil party	Rotaru Ioan, Ispas Gheorghe, Irimie Traian TESS civil responsible party	Damage RON 13.493.080,3	On the merits of the case	<i>On the merits</i> Convicts the defendants to jail and to paying the damage. <i>Appeal</i>	23.05.2017
4.	9089/101/2013	Mehedinti Court of Law	Creditor	RAAN	Insolvency Receivables RON 7.828.405,48	On the merits of the case	The company is under insolvency procedure. SNN requested receivable amounting to RON 7.828.405,48 . By civil decision no. 10/28.01.2016, the court of law ruled the initiation of the bankruptcy procedure of the debtor RAAN and appointed as liquidator Euro Insol S.P.R.L.	14.09.2017
5.	7238/120/2012	Dambovita Court of Law	Creditor	Eco Energy	Receivables RON 2.464.059,64	On the merits of the case	The company is under bankruptcy procedure.	12.06.2017
6.	3793/2/2013	High Court of Cassation and Justice	Intimate – defendant	Greenpeace CEE Romania	Issuing annulment of the environment agreement. Project of the Units 3-4	Appeal	<i>Merits of the case:</i> 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 Units 3 and 4). Rejects the II	12.05.2017

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							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 <i>Appeal</i> Decision no. 2100/23.06.2016. Accepts the appeal made by Greenpeace Cee Romania Greenpeace and the Bankwatch Romania Association against the decision no. 1436/09.05.2014 of the Bucharest Court of Appeal – Section VIII-a Administrative and fiscal department. Invalidates the decision attacked and sends the case to be re-trialed in the same court of law. Final. Ruled in public meeting today, 23.06.2016.  <i>Retrial (CAB)</i>	
7.	873/1259/2008	Arges Court of Law	Creditor	Termoficare 2000 SA	Receivables RON 2.713.986,71	On the merits of the case	Company under bankruptcy procedure.	27.06.2017
8.	18770/3/2007	Bucharest Court of Law	Creditor	Condem SA	Receivables RON 2.446.227,08	On the merits of the case	The company is under bankruptcy procedure.	18.10.2017
9.	416/2/2014	Bucharest Court Appeal ICCJ	Claimant	National authority for Energy Regulation	Change of tariff regulated by Decision no. 3609/2013	On the merits	<i>On the merits:</i> On 14.10. 2014 was rejected the request of S.N. Nuclearelectrica S.A. as ungrounded. With appeal. <i>Appeal</i>	16.05.2017

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10.	40046/3/2014	Bucharest court of law	Defendant	S.C. 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 Trade Register and radiation of mentions at the Trade Register. Based on the EGMS decision cancelled	On the merits	<i>On the merits</i>	09.05.2017
11.	11661/3/2014 11661/3/2014	Bucharest Court of Appeal Bucharest Court of Law – Retrial	Respondent	S.C. Fondul Proprietatea S.A.	Stating absolute nullity of the SNN EGMS decision no. 1/11.03.2014.	Appeal Trial merits	<p><i>On the merits (TB)</i> Rejected the request of Fondul Proprietatea accepting the exception of the lack of interest reported to the request object. <i>Appeal CAB</i> Accepts the appeal of Fondul Proprietatea, cancels the decision appealed and sends the case for retrial at the same court of law. Final. <i>Retrial base (TB)</i> The court of law ruled the suspension of the case in relation to the fact that the Bucharest Court of Law and Craiova Court of Appeal requested the Court of Law of the European Union for clarifications regarding the possibility of state aid regarding the projects which are the object of the SNN EGMS decision no. 1/11.03.2014.</p>	Suspended, until the response to the request submitted to the Court of Justice of the European Union
12.	1794/118/2016	Constanta Criminal Court of Law	Civil party	Bucur Ionel Negulici Elena Olteanu Madalina Encica Ionel Nicola Laurentiu Daramus Victor Davy Security S.R.L. party responsible by official receiver.	Abuse in service, conflict of interests.  Damage EUR 3.471.463	Merits	<i>Merits</i>	24.05.2017

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13.	3490/121/2015	Galati Civil Court of Law	Claimant	ArcelorMittal Galati S.A.	RON 8.575.245,78	Merits	The Company requests the difference in energy sale counter values to be made redundant and other associated costs  <i>Merits</i> Rejects the action regarding the obligation of the defendant to pay as damage deriving from the contract no. 207/22.02.2013, as ungrounded. With a right of appeal. The company submitted appeal.	The court of law is going to establish the term
14.	26062/3/2015	Bucharest Court of Law Administrative Legal Department Bucharest	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	<i>Merits</i> Accepts the request and rules the suspension of performing the Decision no. 9/23.03.2015 until the final resolution of the action, enforceable. With a right of appeal in 5 days from the communication. Decision no. 90/01.02.2016.	Suspended, pending final settlement of the substantive action
15.	4960/2/2015	Bucharest Court of Appeal ICCJ	Claimant	Court of Auditors	Suspending the measure performance D&O INSURANCE POLICIES	On the merits	<i>On the merits:</i> Admits the request in part and suspends the enforcement of point II.12 of the decision no. 16/11.05.2015 issued by the Romanian Court of Auditors – 4 <sup>th</sup> 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 <i>Appeal</i>	The court will establish the term
16.	4961/2/2015	Bucharest Court of Appeal Administrative Legal Department ICCJ	Claimant	Court of Auditors	Performance suspension of TOURISTIC SERVICES	Appeal merits	<i>Merits</i> Accepts the unacceptability exception of the request end regarding the suspension of the performance of point 3.1.5 of the Control report no. 4371/10.04.2015 and, as a consequence, rejects, unacceptable, this end of request. Rejects, the performed suspension request, as ungrounded. With a appeal in 5 days from the communication. Decision no. 2660/20.10.2015. <i>Appeal</i>	The court will establish the term

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17.	4968/2/2015	Bucharest Court of Appeal Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance for compensations for LEGAL ADVISERS	On the merits	<i>On the merits:</i> 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 unacceptable. With right of appeal after 5 days from the communication. Decision 2684/ 20.10.2015 <i>Appeal</i>	Trial date to be established
18.	4969/2/2015	Bucharest Court of Appeal Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance MICROSOFT	On the merits	<i>On the merits:</i> Rejects the request to suspend the performance of point 3.1.11 of the control report no. 4371/10.04.2015 issued by the Court of Auditors of Romania, unacceptable. Accepts in part the suspension request. Suspends the performance of point 11 to 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 1.2015. <i>Appeal</i>	Trial date to be established

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19.	4970/2/2015	Bucharest Court of Appeal d Administrative Legal Department ICCJ	Claimant	Court of Auditors	Suspension of measure performance NON- RESIDENTS	On the merits	<i>On the merits:</i> 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 <i>Appeal</i>	Trial date to be established
20.	4971/2/2015	Bucharest Court of Appeal 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 <i>Appeal</i>	Trial date to be established
21.	4959/2/2015	Bucharest Court of Appeal Administrative Legal Department ICCJ	Claimant	Court of Auditors	Annulment of the measure EXCURSIONS	On the merits	<i>Merits</i> Accepts the request. Cancels in part the conclusion no. 59/17.07.2015 issued by the defendant, regarding point 3. Cancels in part the Decision no. 16/11.05.2015 issued by the defendant, regarding the measures ruled at point 5 and measure no. I3. Cancels in part the control report no. 4371/10.04.2015 issued by the defendant regarding point 3.1.5. obliges the party to 4.550 lei trial costs to the claimant. With appeal in 15 days from the communication. Decision no. 10.06.2016. <i>Appeal</i>	Trial date to be established
22.	4902/2/2015	Bucharest	Claimant	Court of	Annulment of	On the	<i>On the merits:</i>	

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		Court of Appeal 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 <sup>th</sup> department. final. Decision 3419/17.12. 2015 <i>Appeal</i>	Trial date to be established
23.	4906/2/2015	Bucharest Court of Appeal Administrative Legal Department ICCJ	Claimant	Court of Auditors	Annulment of the measure ACQUISITION S	On the merits	<i>On the merits:</i> Based on art. 413 par. 1 point 1 Cpc suspends the trial of the present 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. Rejects the action, ungrounded. With appeal in 15 days from the communication. Rejects the action, unrounded. With appeal in 15 days from the communication. Ruled in the public meetings of today, 10.10.2016. Decision no. 2961/10.10.2016. <i>Appeal.</i>	Trial date to be established

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24.	4912/2/2015	Bucharest Court of Appeal Administrative Legal Department ICCF	Claimant	Court of Auditors	Annulment of the measure POLITE D&O	On the merits	<i>On the merits:</i> 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	Trial date to be established
25.	4946/2/2015	Administrative Court of Appeal	Claimant	Court of Auditors	Annulment of the measure GENERAL CONCRETE	On the merits	<i>On the merits</i>	09.06.2017
26.	4964/2/2015	Bucharest Court of Appeal Administrative Legal Department ICCF	Claimant	Court of Auditors	Annulment of the measure COURT DECISIONS	On the merits	<i>On the merits:</i> 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	Trial date to be established

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27.	4965/2/2015	Bucharest Court of Appeal Administrative Legal Department	Claimant	Court of Auditors	Annulment of the measure MICROSOFT	On the merits	<i>On the merits:</i> 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 Decision 236/ 28.01.2016 <i>Appeal</i>	Trial date to be established
28.	4958/2/2015	Bucharest Court of Appeal Administrative Legal Department	Claimant	Court of Auditors	Annulment of the measure NON- RESIDENTS	On the merits	<i>On the merits:</i> admits the 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 Ruled on March 10 <sup>th</sup> , 2016 <i>Appeal</i>	Trial date to be established

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29.	45487/3/2015	Bucharest Court of Law, Department VIII labor	Claimant	Employees of S.N. Nuclearelectrica S.A.	Damage RON 708.407 Labor litigation performing measure provided by CC by report 2012 regarding D&O policies	On the merits	<p style="text-align: center;"><i>Merits</i></p> <p>Accepts the exception of prescription of the material right to action, invoked by the defendants and rejects the request being prescribed the right to action. With a right of appeal in 10 days from the communication, which shall be submitted at the Bucharest Court of Law – Section VIII. Decision no. 5836/07.06.2016. Rejects the request to summon in warranty drafted by the defendants in contradiction with the warranty summons AIG Europe Limited London, ungrounded. With a right of appeal in 10 days from the communication, which shall be submitted to the Bucharest Court of Law – Section VIII. Ruled on 27.09.2016.</p> <p style="text-align: center;"><i>Appeal</i></p> <p>Rejects the main appeal submitted by the claimant against the civil decision no. 5836/07.06.2016 as ungrounded. Accepts the incident appeal drafted by the respondents against the same decision. Changes in part the reasons of the decision appealed, replacing them with the appeal court ones. Rejects the appeal of the defendants against the civil decision no. 8357/27.09.2016 as ungrounded. Final. Ruled in the public meeting of today, 03.05.2017. Document: Decision 2698/2017 03.05.2017</p>	Final decision
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30.	45494/3/2015	Bucharest Court of Law Department VIII Labor	Claimant	Managers of S.N. Nuclearelectrica S.A. and GMS members.	Prejudice RON 708.407 Performing measure provided by CC by report 2012 regarding D&O policies	On the merits	<p><i>Merits</i></p> <p>Rejects the exception of the lack of passive procedure quality invoked by the defendants Grama Mioara, Popescu Lucia -Ioana, Chiriac Cristiana and Serbanescu Cristian Ovidiu. Accepts the exception of the prescription. Rejects the request, the action right being prescribed. Rejects the summons into warranty as without an object. Obliges the claimant to pay the following trial costs: RON 8.226,53 to the defendant Grama Mioara, RON 7.873,53 to the defendant Popescu Lucia-Ioana and RON 7.925,79 to the defendant Chiriac Cristiana. With a right of appeal in 30 days from the communication. The appeal request is submitted to the Bucharest Court of Law, Section VI Civil, under the sanction of nullity. Ruled in the public meeting, today, 29.11.2016. Decision no. 7583/29.11.2016.</p>	Un-drafted decision. The Company shall file appeal.
31.	6874/3/2016*	Bucharest Court of Law	Defendant	Nuclear Agency and Radioactive Waste (ANDR)	Claims EUR 131.080,08 Contributions according to the Governmental Decision no. 1080/2007 for 2010-2012. Contributions for 2013-2015 for the difference of energy produced and the one delivered in SEN. Penalties 2010-2015 until effective payment.	Merits	<p><i>Merits</i></p> <p>Rejects the exception of the prescription for the material right to action, as ungrounded. With a right of appeal within 30 days from the communication. Ruled today, 23.09.2016, the solution being provided to the parties through the secretary.</p>	Un-drafted decision

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32.	9230/3/2016	Bucharest Court of Law Section II	Defendant	Greenpeace CEE Romania	Communication of public interest information for the Project Units 3 and 4.	Merits	Request for accessory investment in the interest of the respondent Ministry of Energy.  <i>Merits</i> Rejects the request, as ungrounded. Accepts the accessory intervention request in favor of the defendant. With a right of appeal in 15 days from the communication. Decision no. 6924/05.12.2016.	Un-drafted decision.
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CNE Cernavoda Brach

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

1.	10673/118/2010	Constanța Civil/ Court of Law	Defendant	Sava Marian	Land evacuation for the thermal energy transportation pipes and damage payment.	On the merits	<p style="text-align: center;"><i>Merits</i></p> <p>Rejects as ungrounded the exceptions of the action, unacceptable, lack of active and passive procedure quality, invoked by the defendant S.N.</p> <p>Nuclearelectrica S.A. accepts the exception of the belated character of the request regarding the change of the passive procedure frame. Belatedly rejects the claimant's request for the change of the passive procedure frame. States without object the exception of the lack of procedure capacity of use of the Cernavoda Local Committee. Rejects as ungrounded the summons drafted by the claimant Sava Marian in contradiction with the defendant S.N.</p> <p>Nuclearelectrica S.A. Rejects as without an object the warranty summons drafted by S.N. Nuclearelectrica S.A. in contradiction with Town of Cernavoda through the Mayor. Obliges the claimant Sava Marian to pay the amount RON 27.003,33 to the defendant S.N. Nuclearelectrica S.A., representing trial costs (legal stamp duty, legal stamp, expert fee). With appeal in 15 days from the communication. Ruled in the public meeting today, 14.03.2016. Document: decision no. 603/14.03.2016.</p> <p style="text-align: center;"><i>Appeal</i></p> <p>Accepts the appeal. Cancels in part the appealed decision regarding the belated character of the request regarding the change of the passive procedure frame.</p> <p>Rejects as ungrounded the exception of the belated character of the request regarding the change of the passive procedure fame and through re-trial of the summons drafted in contradiction with the defendants Cernavoda Local Committee and the Town Cernavoda rules: rejects the exception of the lack of procedure capacity of use of the Cernavoda Local Committee, as ungrounded. Rejects the summons in contradiction with the defendants Cernavoda Local Committee and Cernavoda Town, as ungrounded.</p> <p>Maintains the rest of provisions of the appealed decision. Final. With appeal in 15 days from the communication. Ruled in the public meeting today 22.03.2017. Red.dec.C.M./secretary CG. Document: Decision no. 196/22.03.2017.</p>	Un-drafted decision
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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	Merits	According to art. 36 of the Law no. 85/2006 (insolvency law): the trial of the case was suspended.	Suspended
3.	3657/256/2013	Constanta Civil Court of Law	Claimant	Tudose Alexandru, Predoiu Bogdan, Purcareea Gica, Laudatu Ioana etc.	Section T1 claim request, Cernavoda	Appeal	<p style="text-align: center;"><i>Merits</i></p> <p style="text-align: center;"><u>The Company's request was accepted.</u></p> <p style="text-align: center;"><i>Appeal</i></p> <p>Accepts the appeal. Cancels in part the appealed decision in regards to the belated exception of the request regarding the change of the passive procedure frame. Rejects, as ungrounded the exception of the belated character of the request regarding the change of the passive procedure frame and retrial of the summons drafted in contradiction with the defendants Cernavoda Local Committee and the Town Cernavoda rules: rejection of the exception of the procedure use of the Cernavoda Local Committee, ungrounded. Rejects the summons in contradiction with the Cernavoda Local Committee and the Town Cernavoda, ungrounded. Maintains the rest of the provisions of the appealed decision. Final. With a right of appeal within 15 days from the communication. Decision no. 196/22.03.2017.</p>	Un-drafted decision

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**S.N. Nuclearelectrica S.A.**Quarterly report of the Board of Directors for the period January 1<sup>st</sup> – March 31<sup>st</sup> 2017*(All amounts are presented in RON, unless otherwise stated)***Appendix 5 – Degree of achievement of the performance indicators as at 31 March 2017 – Board of Directors**

No.	Objective / Performance Indicators	MU	Q1 2017 target*)	Realized Q1 2017	Degree of fulfillment (%)	Weighting coefficient	Degree of performance indicators fulfillment col. 5 * col. 6 (%)
0	1	2	3	4	5	6	7
<b>Improvement of the financial performance indicators of the Company</b>							
1	Annual turnover (cumulative since the beginning of the year)	Million RON	472.00	488.16	103.42%	0.20	20.68%
2	Annual operating profit (cumulative since the beginning of the year)	Million RON	45.00	107.48	238.84%	0.20	47.77%
3	Due payments	Thousand RON	-	-	100.00%	0.10	10.00%
4	Labour productivity (cumulative since the beginning of the year)	Thousand RON/ person	234.00	246.30	105.26%	0.10	10.53%
5	Operating expenses for RON 1000 turnover (cumulative since the beginning of the year)	RON	947.00	793.83	119.30%	0.10	11.93%
<b>Fulfillment of major investment objectives</b>							
6	Execution of annual value plan of investment cumulative since the beginning of the year (as Table 28 and Annual Budget)	%	Min. 5%	9.54%	190.80%	0.15	28.62%
<b>Maintaining electricity production capacity above the industry average</b>							
7	The utilization coefficient of installed power capacity (cumulative since the beginning of the year)	%	Min. 80%	99.14%	123.93%	0.10	12.39%
<b>Operation of nuclear power plants units in safety conditions for personnel, population, environment and production assets</b>							
8	No operation event that exceeded level 1 on International Nuclear Event Scale, regarding in depth degradation of defense barriers, impact on site or outdoors.		0 events above level 1 on the INES scale	0 events above level 1 on the INES scale	100.00%	0.05	5.00%
<b>Degree of fulfillment of the performance indicators</b>						<b>1.00</b>	<b>146.92%</b>

\*) Values according to the Budget for 2017, approved by GMS Decision no. 1/29.03.2017