



QUARTERLY REPORT

**of the Board of Directors of S.N. NUCLEARELECTRICA S.A.
for the period 1st January - 31st 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 1st 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 1st 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%
Total assets	9,408,903	9,345,420	0.7%
Non-current liabilities	1,398,881	1,426,403	-1.9%
Current liabilities	419,357	412,404	1.7%
Total liabilities	1,818,238	1,838,807	-1.1%
Shareholder's equity	7,590,665	7,506,613	1.1%
Total equity and liabilities	9,408,903	9,345,420	0.7%

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
Production (GWh)*	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%
EBITDA	230,372	195,031	18.1%
Depreciation and amortization	(122,893)	(119,055)	3.2%
EBIT	107,479	75,976	41.5%
Net finance (expense)/ income	(1,838)	10,300	n/a
Income tax expenses	(21,589)	(19,415)	11.2%
Profit net	84,052	66,861	25.7%

*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 1st 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 1st 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 1st 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 31st 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 6th, 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 – 11th, 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 1st 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 1st 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
Total sales for 1st quarter 2017	2,789,218	100,00%	174.42	486,494,412

Regarding the electricity transactions during the 1st 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 1st 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 2nd 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_g), 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_g – 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 1st, 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%
	TOTAL	119,255	19,828	7,566	84,944	231,593	15.74%

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 1st quarter (1.01-31.03)	Completion stage for 1st 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 (5th and 6th 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	-
Total		80,972	7,721	9.54%

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

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.

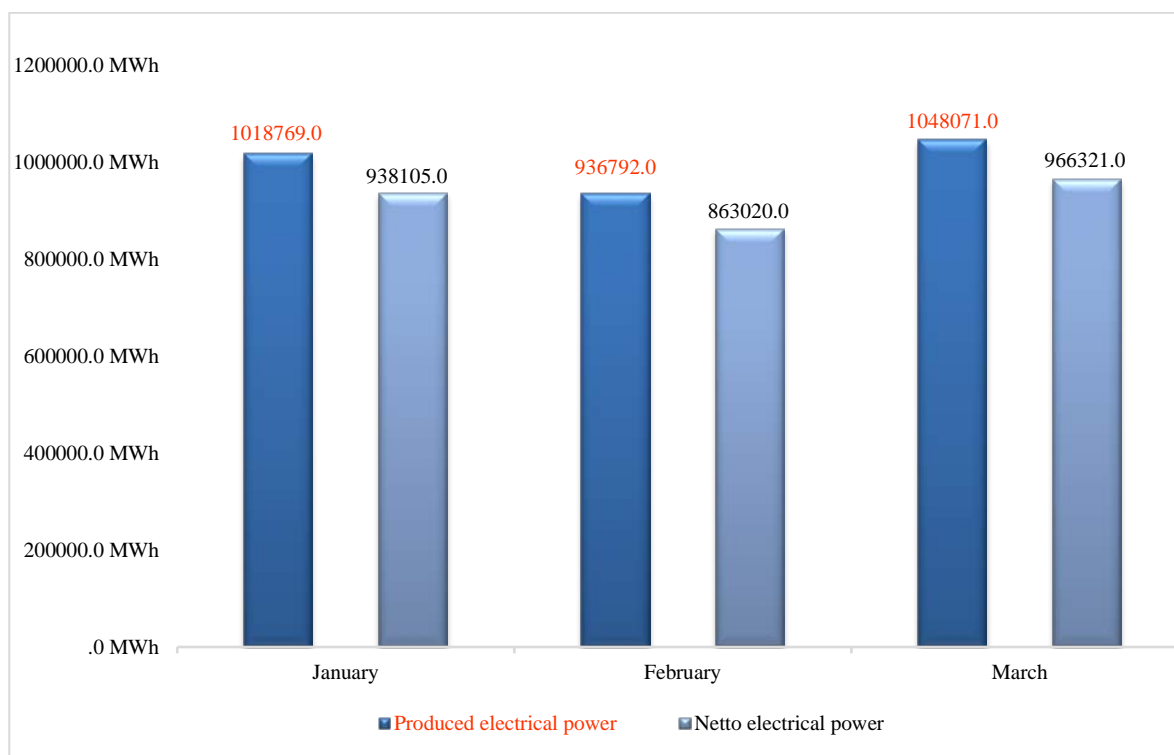
3.5. The activity of CNE Cernavoda Branch

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.

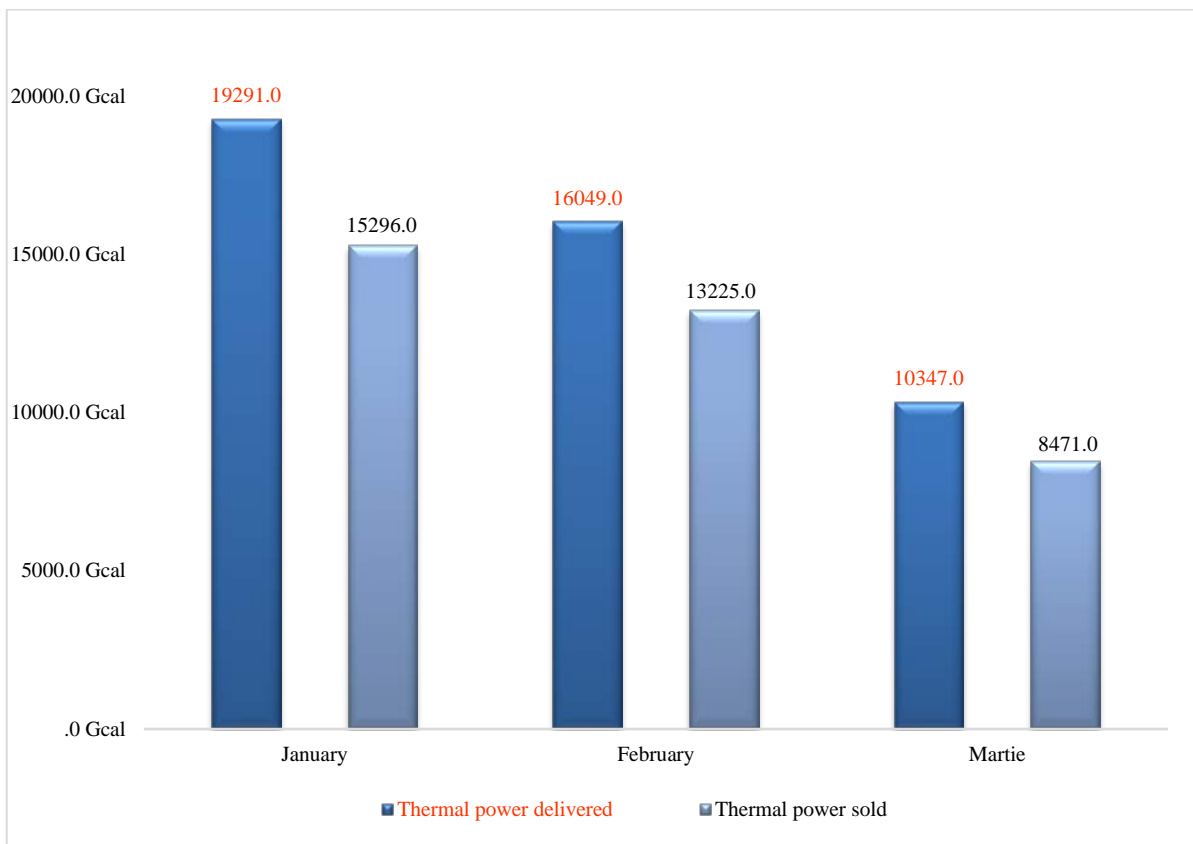
During the first quarter of 2017, there were no operation events exceeding level 1 on the international nuclear events scale, regarding the degradation of the in depth barriers, with impact on or off site (indicator 1).

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

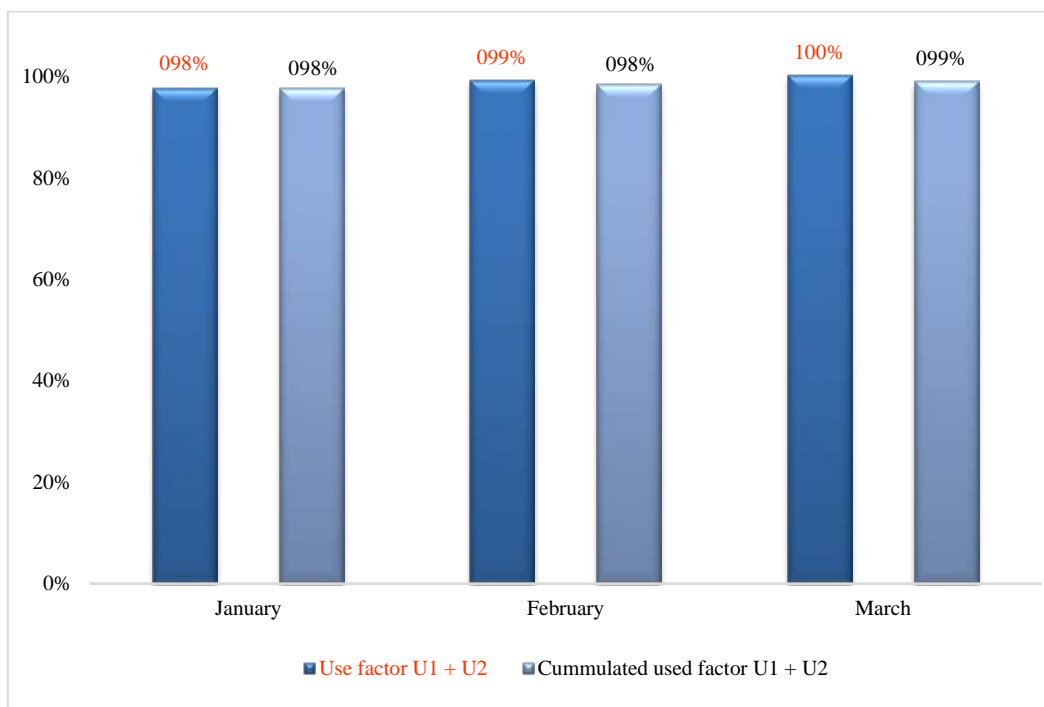
Produced/net electricity U1 + U2 (MWh)
(Produced electricity: 3,003,631 MWh / Net electricity: 2,767,440 MWh)
(Cumulated technological consumption for the first quarter of 2017: 7.87%)



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

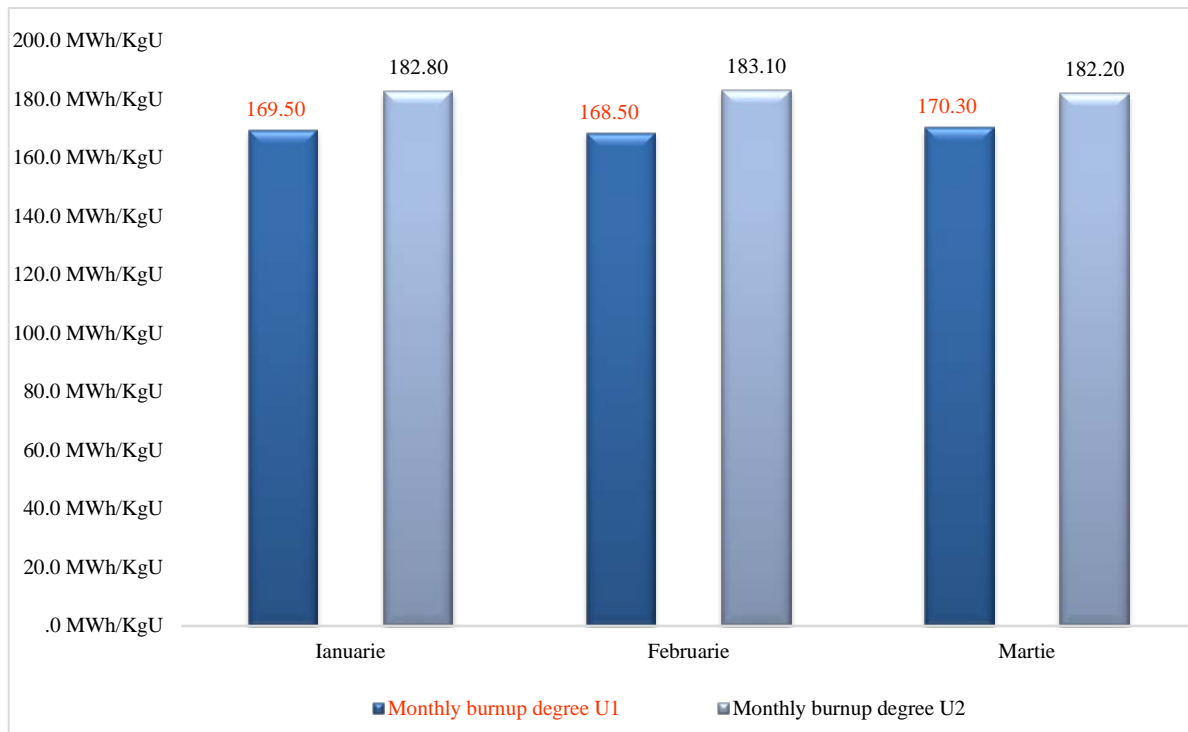


Installed capacity used factor U1 + U2 (%)
(Cumulated for the first quarter of 2017: 99.14%)

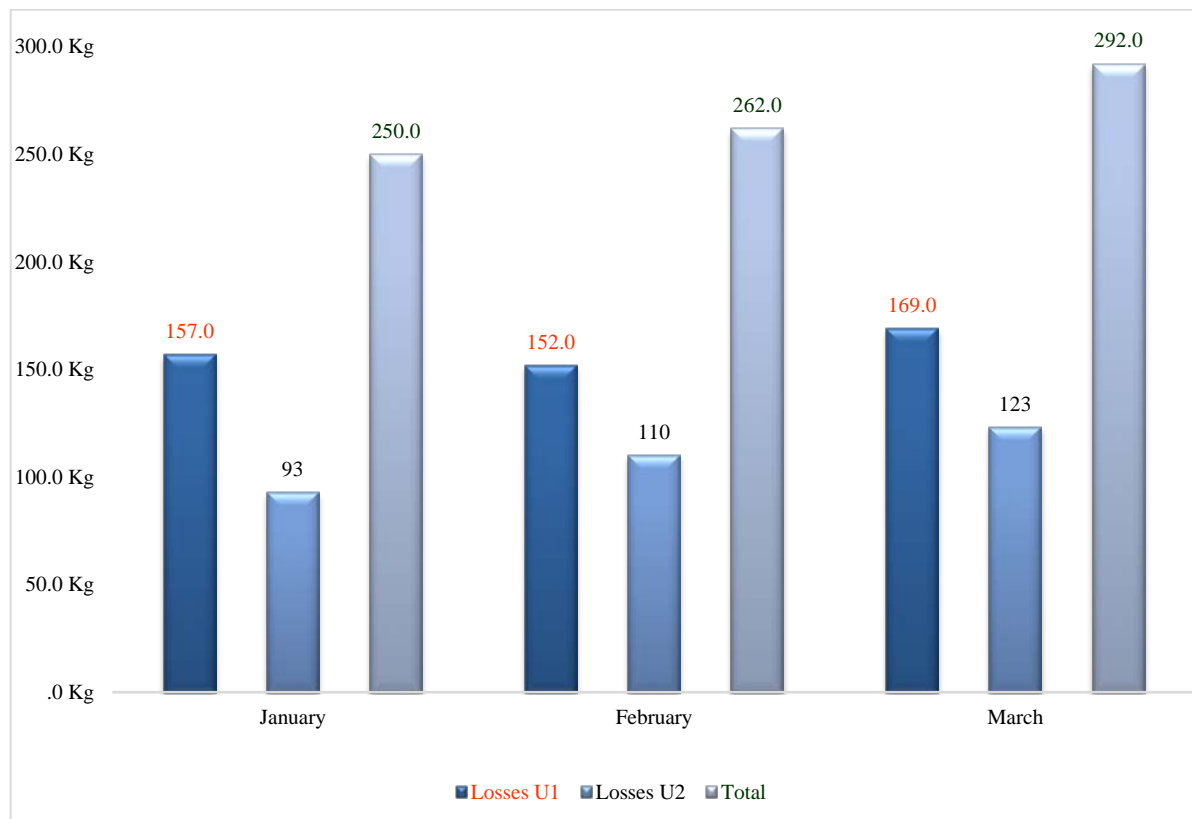


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Fuel burnup factor (MWh/KgU)
(Cumulated for the first quarter of 2017: 176,00 / Stipulated in the project: min. 156,00)

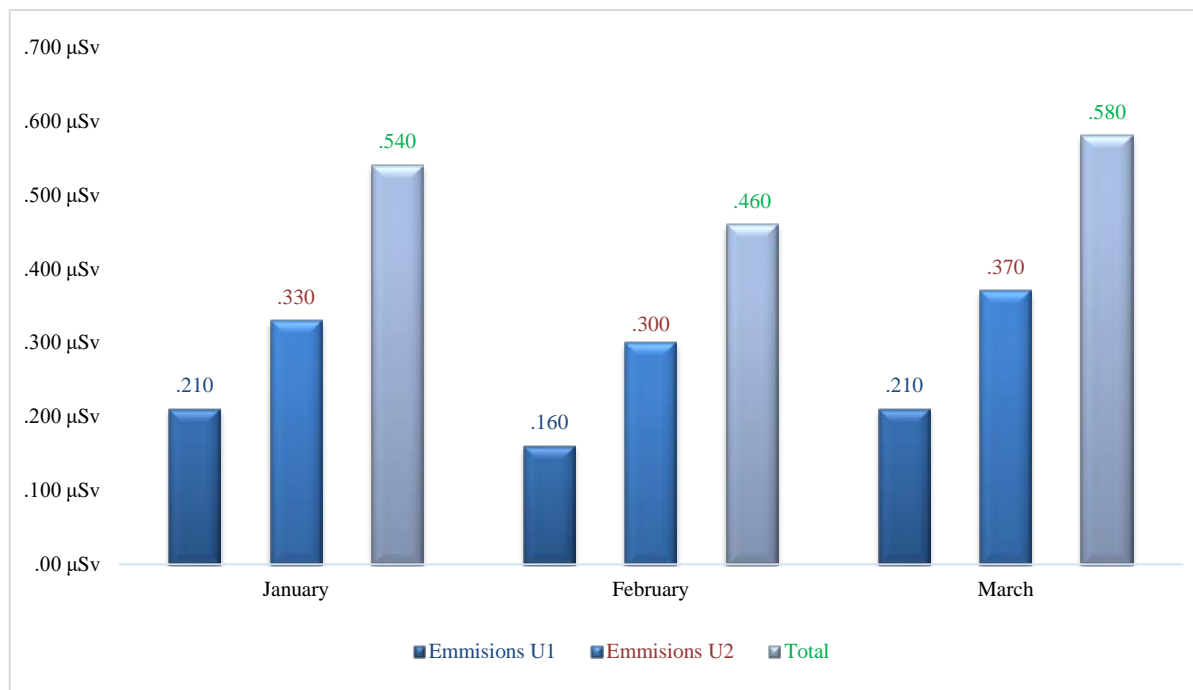


Heavy water losses U1+U2 (Kg)
(Cumulated in the first quarter of 2017: 804 / Stipulated: annually max. 6,800/unit)



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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.

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- 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 ^{*)}	Method of calculation	M.U.	31.03.2017
1. Current liquidity ratio	Current assets/ Current	X	5.15
2. Debt ratio			
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%
3. Accounts receivable turnover ratio	Average accounts receivables balance/ Turnover	days	23
4. Non-current assets turnover ratio^{**)}	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 31st, 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 31st, 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 31st, 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 31st, 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 31st, 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.*

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Annex 1 – Financial position as at 31 March 2017

	31 March 2017 (unaudited)	31 December 2016 (audited)
Assets		
Non – current assets		
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
Total fixed assets	7,248,249,904	7,330,812,585
Current assets		
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
Total current assets	2,160,653,402	2,014,607,490
Total assets	9,408,903,306	9,345,420,075
Equity and liabilities		
Equity		
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
Total shareholder's equity	7,590,665,418	7,506,613,256
Liabilities		
Non – current liabilities		
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
Total non – current liabilities	1,398,881,291	1,426,403,087
Current liabilities		
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
Total current liabilities	419,356,597	412,403,732
Total liabilities	1,818,237,888	1,838,806,819
Total equity and liabilities	9,408,903,306	9,345,420,075

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

	3 months period ended 31 March 2017 (unaudited)	3 months period ended 31 March 2016 (unaudited)
Revenues		
Sales of electricity	483,910,118	446,432,316
Electricity transmission revenues	3,706,727	11,321,171
Total revenues	487,616,845	457,753,487
	7,380,161	(3,319,128)
Other income		
Operating expenses		
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)
Total operating expenses	(387,517,972)	(378,457,104)
	107,479,034	75,977,255
Operating result		
	(19,133,109)	(22,106,103)
Finance costs		
Finance income	17,294,934	32,405,776
Net finance (cost)/income	(1,838,175)	10,299,673
	105,640,859	86,276,928
Profit before income tax		
Net income tax expense	(21,588,697)	(19,415,463)
Net profit	84,052,162	66,861,465

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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
I.		TOTAL INCOME (row 2 + row 5 + row 6)	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	-	-	-
II		TOTAL EXPENSES (row 8 + row 20 + row 21)	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	-	-	-
III		GROSS RESULT (profit/loss)	22	47,013	105,641	224.7%
IV		INCOME TAX	23	10,126	21,589	213.2%
V		ACCOUNTING PROFIT AFTER TAX	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.</p> <p><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.</p> <p><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 th Department until the final resolution of the action registered in the file no. 4912/2/2015. Enforceable. Rejects as unacceptable the suspension request of performing the point 10 from conclusion no. 59/17.07.2015 and point 3.1.10 of the Control report no. 4371/10.04.2015 issued by the Romanian Court of Auditors. With right of appeal after 5 days from the communication. Decision 2608/ 15.10.2015 <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 th 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 ICCJ	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 ICCJ	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 th , 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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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, Purcarea 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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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
Improvement of the financial performance indicators of the Company							
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%
Fulfillment of major investment objectives							
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%
Maintaining electricity production capacity above the industry average							
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%
Operation of nuclear power plants units in safety conditions for personnel, population, environment and production assets							
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%
Degree of fulfillment of the performance indicators						1.00	146.92%

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