



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 th , 2017
Company name:	S.N. Nuclearelectrica S.A.
Registered office:	Bucharest, 65 Polona Street, district 1
Phone/fax number:	+40 21 203 82 00; +40 21 316 94 00
Web/ Email:	www.nuclearelectrica.ro ; office@nuclearelectrica.ro
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 (www.bvb.ro), 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 th , 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:	1st Quarter 2017

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

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
Total assets	9.408.903	9.345.420
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
Total Equity and Liabilities	9.408.903	9.345.420

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)
Operating result	107.479	75.977
Finance income	17.295	32.406
Finance costs	(19.133)	(22.106)
Net finance (cost)/income	(1.838)	10.300
Profit before income tax	105.641	86.277
Net income tax expense	(21.589)	(19.415)
Profit for the period	84.052	66.862
Other elements of the total earnings	-	-
Total earnings	84.052	66.862

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2. SIGNIFICANT EVENTS

2.1. Significant events during the 1st 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 31st 2017, the Negotiation Commission approved the proposal to continue negotiations on the Documents of Investment under the same conditions of the MoU, until June 30th, 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 6th 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 9th, 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 26th, 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 1st, 2017.

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

Starting May 6th, 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:

Indicator name^{**)}	Formula	M.U.	31.03.2017
1. Current liquidity ratio	Current assets/ Current liabilities	x	5,15
2. Debt ratio			
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%
3. Accounts receivable turnover rate	Average accounts receivable balance/Turnover x 90	Days	23
4. Non-current assets turnover rate^{*)}	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**

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