



Current Report according to the provisions of art. 65 of Law no. 24/2017 on the issuers of financial instruments and market operations and Regulation no. 5/2018 regarding issuers of financial instruments and market operations

Report date: 14.08.2018

Name of issuing entity: NUCLEARELECTRICA S.A. National Company

Social headquarters: 65 Polona St., district 1, Bucharest

Telephone/Fax Number: 021.203.82.00 / 021.316.94.00

Trade Register sole registration number: 10874881

Registration number in the Trade Register: J40/7403/1998

Subscribed and paid-up share capital: RON 3.015.138.510

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

To: Bucharest Stock Exchange

Significant event to report:

Availability of the Half-Year Report for the period January 1 - June 30, 2018

Nuclearelectrica S.A. National Company ("SNN") informs shareholders and investors about the availability of the Report related to semester I for the financial year 2018, prepared in accordance with the provisions of Law no. 24/2017, art. 65, and Annex no. 14 to ASF Regulation no. 5/2018, as of August 14, 2018, as follows:

- in written format, on request, at the registered office of the company in Bucharest, 65 Polona St., District 1, Department for Communication and Relations with Investors;
- in electronic format, on the company's website, under the section "Relations with Investors - Financial Statements 2018" (www.nuclearelectrica.ro).

The Half-Year Report includes:

- The main events of the company's activity during the reporting period;
- Revised Simplified Individual Interim Financial Statements on the date and for the six-month period ended on June 30, 2018, drafted according to the OMFP [Order of the Ministry of Public Finance] no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, based on Accounting Standard 34 - "Interim financial reporting" passed by the European Union;
- Revised Simplified Consolidated Interim Financial Statements on the date and for the six-month period ended on June 30, 2018, drafted according to the OMFP no. 2844/2016 for approving the Accounting Regulations according to the International Financial Reporting Standards, based on Accounting Standard 34 - "Interim financial reporting" passed by the European Union;
- Half-Year Report of the Board of Directors on the administration activity for January 1 - June 30, 2018.

The main results

1. Financial results of the period

During the 6-month period ended on June 30, 2018, SNN recorded a net profit of 182,314 thousand lei, 15.93% up in relation to the same period of last year. The operational result (EBIT) recorded a 27.26% increase, and the EBITDA a 10.47% increase, in relation to the same period of the previous year, mainly following the increase of operational revenues by 13%, influenced by the increase by 11% of the revenues from the sale of electricity.

Indicator [thousand RON]	6-month period ended on June 30, 2018 (revised)	6-month period ended on June 30, 2017 (revised, retreated)	Variation
Production (GWh)*	4,969	5,066	-1.90%
Operating income, of which:	1,006,687	892,973	12.73%
<i>Income from electricity sales**</i>	968,625	869,719	11.37%
Operating expenses, minus depreciation and amortization	(519,334)	(451,824)	14.94%
EBITDA	487,353	441,149	10.47%
Depreciation and amortization	(272,099)	(271,999)	0.04%
EBIT	215,254	169,150	27.26%
Net financial result	14,936	11,481	30.09%
Profit tax expenses, net	(47,876)	(23,369)	104.87%
Net profit	182,314	157,262	15.93%

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

**Including revenues from the sale of thermal energy, insignificant in the total revenues.

***) Extract from the Revised Simplified Individual Interim Financial Statements on the date and for the six-month period ended on June 30, 2018.

Following the completion of the process of liberalizing the electricity market in Romania, starting with 2018 the Energy Regulation National Authority (“ANRE”) no longer set for producers delivery obligations under regulated contracts, by abrogating Order no. 83/2013 on the methodology of setting prices for the electricity sold by the producers based on regulated contracts and electricity quantities from the regulated contracts concluded by the producers with last-instance suppliers, after completing the schedule for gradually removing regulated fees.

2. Electricity sales (quantities, prices and values) in the 1st semester of 2018

The gross electricity production of the two operational units of CNE Cernavoda was 5,413,112 MWh in the first half of 2018 (of which 2,462,486 MWh in the 2nd quarter of 2018).

Electricity sales (quantities, prices and values) in the 1st semester of 2018

Sales by types	Quantities in MWh	% of total sales	Average price [lei/MWh with T _g included]	Revenues from sales [lei]
Sales on the free market (bilateral contracts and PZU and PI contracts), out of which:	5,106.310	99.6%	189.63	968,305.428
- Contract sales PCCB - LE, PCCB - NC, PCSU and supply contracts	4,050,943	79.0%	197.68	800,783,243
- PZU and PI sales	1,055.367	20.6%	158,73	167,522.185
PE positive imbalances ^{*)}	19,090	0.4%	135.13	2,579,695
Total sales First semester of 2018	5,125.400	100%	189.43	970,885,123

^{*)} NB: 78,144 lei of the value presented represents redistributed revenues resulted from the balancing of the system, based on the application of ANRE order no. 51/2016 and ANRE order no. 76/2017.

The sold electricity quantities on the competitive market of bilateral contracts represented in the first semester of 2018 a percentage rate of 79% out of the total volume of the sold energy. The average sale price on bilateral contracts in the first semester of 2018 was 197.68 lei/MWh (with T_g included), registering an increase of 22% compared to the average price registered in the first semester of 2017, of 161.8 lei/MWh (T_g included), given that T_g in the first semester of 2017 was higher by 0.29 lei/MWh.

On the spot market (PZU), during the 1st semester of 2018, a quantity of electricity representing 20.6% of the total sales volume was sold, compared to the percentage share of 23.7% recorded in the first semester of 2017. The energy average selling price on the spot market (PZU and PI) achieved by SNN in the first semester of 2018 was 158,73 lei/MWh (with T_g included), compared to 197.37 lei/MWh (with T_g included) recorded during the same period of 2017.

The revenues obtained from the electricity market related to electricity deliveries in the first semester of 2018 are 970,885,123 lei (out of which 78,144 lei represents redistributed revenues resulted from balancing the system, based on the application of ANRE Order no. 51/2016 and ANRE Order no. 76/2017), 1.33% higher than the budget revenues for the first semester of 2018, and 10.95% higher than the revenues in the same period of the previous year.

3. The degree of achievement of investments at the end of the first half of 2018

The total value of the investment program of SNN for 2018 is 244,867 thousand lei (without the component allocated to the payment of the debt service related to long-term loans), a program approved by Resolution no. 3/02.03.2018 of the Ordinary General Assembly of Shareholders of SNN.

The comparative situation of the investment accomplishments (value and percentage) for the first semester of 2018 compared to the same period of 2017 is presented in the table below:

Year	Value of the investment program [thousand RON]	Performed (01.01 - 30.06) [thousand RON]	Achievement level (01.01 - 30.06) (%)
2018	244,867	74,582	30.5%
2017	231,593	48,583	21.0%

As in the previous years, the highest share in the investment program is for long term investments (ongoing). This is due to the need of upgrade/replacement of certain systems, out of economic reasons (specific consumption deductions, improvement of certain parameters related to served processes, with a positive impact on efficiency), out of legal reasons – the need to implement new upgrades associated with nuclear security, environment protection and labor security representing imperative requirements from the regulatory authorities in the field (e.g.: CNCAN and the Ministry of Environment).

The investment program of SNN for 2018 annexed to BVC was value-sized by considering the ongoing contractual commitments, the estimates regarding the investment objectives to be made in the following year, including amounts allocated to investment projects for which the fulfillment of certain requirements outside the control of SNN is anticipated (e.g. prior approvals of regulation authorities, legal terms regarding the completion of public tender procedures, including appeals, obtaining the necessary approvals from SNN corporate bodies, etc.), in order to allow the implementation of these projects by fitting into the approved budget values.

The value degree analysis must consider the fact that this can differ from the physical achievement degree; thus, if an investment project was successfully completed, the physical achievement degree is 100% but the value “achievement” degree can be sub-unitary, namely less than 100%, if the project was implemented at a cost lower than the budget amounts; these savings represent benefits for the company, because the same results are obtained with lower resources.

Additional information may be obtained from the Department for Communication and Relations with Investors, e-mail: investor.relations@nuclearelectrica.ro.

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