

**Filiala de Distributie a Energiei Electrice
Electrica Distributie Transilvania Nord S.A.**

Financial Statements

Prepared in accordance with Order of the Minister of Public Finance no 1802/2014
and related amendments
for the year ended 31 DECEMBER 2015

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Electrica Distribuție Transilvania Nord S.A.**
STATEMENT OF FINANCIAL POSITION
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Indicator	Line no.	Note no.	Balance at the beginning of the year	Balance at the end of the year
A	B		1	2
A. NON-CURRENT ASSETS				
I. INTANGIBLE ASSETS				
1. Set-up costs (ct. 201-2801)	01		-	-
2. Development costs (ct. 203-2803-2903)	02		-	-
3. Concessions, patents, trademarks, licenses, rights, other similar values and intangible assets (ct. 205+208-2805-2808-2905-2908)	03		9,601,038	10,580,259
4. Goodwill (ct. 2071-2807)	04		-	-
5. Intangible assets for exploration and evaluation of mineral resources (ct. 206-2806-2906)	05		-	-
6. Advances (ct. 4094)	06			
TOTAL (rd. 01 la 06)	07	1	9,601,038	10,580,259
II. TANGIBLE ASSETS				
1. Land and buildings (ct. 211+212-2811-2812-2911-2912)	08		1,163,199,010	1,243,923,885
2. Technical equipment and machinery (ct. 213+223-2813-2913)	09		484,347,187	531,029,022
3. Other equipment, fixtures and fittings (ct. 214+224-2814-2914)	10		1,894,330	1,480,667
4. Real estate investments (ct. 215-2815-2915)	11		-	-
5. Tangible assets in progress (ct. 231+2931)	12		99,069,366	107,485,797
6. Real estate investments in progress (ct. 235-2935)	13		-	-
7. Tangible assets for exploration and evaluation of mineral resources (ct. 216-2816-2916)	14		-	-
8. Productive biological assets (ct. 217+227-2817-2917)	15		-	-
9. Advances (ct. 4093)	16		-	-
TOTAL: (rd. 08 la 16)	17	1	1,748,509,893	1,883,919,371
III. FINANCIAL ASSETS				
1. Shares in subsidiaries (ct. 261-2961)	18		-	-
2. Loans to subsidiaries (ct. 2671+2672-2964)	19		-	-
3. Investments in associates (ct. 262+263-2962)	20		-	-
4. Loans to associates(ct. 2673+2674-2965)	21		-	-
5. Other long term investments (ct. 265+266-2963)	22		-	-
6. Other loans (ct. 2675*+2676*+2678*+2679*-2966*-2968*)	23		-	-
TOTAL: (rd. 18 la 23)	24	1	-	-
NON-CURRENT ASSETS - TOTAL (rd. 07+17+24)	25	Error! Refere nce source not found.	1,758,110,931	1,894,499,630
B. CURRENT ASSETS				
I. INVENTORIES				
1. Raw materials and consumables (ct.301+302+303+/-308+321+322+323+328+351+358+381+/-388-391-392-3951- 3958-398)	26		1,567,470	2,813,812
2. Work in progress (ct. 331+332+341+/-348*-393-3941-3952)	27		-	-

**Filiala de Distribuție a Energiei Electrice
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STATEMENT OF FINANCIAL POSITION
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Indicator	Line no.	Note no.	Balance at the beginning of the year	Balance at the end of the year
A	B		1	2
3. Finished goods and goods for resale (ct. 345+346+347+/-348+354+ 356+357+361+326+/-368+371+327+/-378-3945-3946-3947-3953-3954-3956-3957-396-397-din ct. 4428)	28		-	-
4. Advances (ct. 4091)	29		-	-
TOTAL: (rd. 26 la 29)	30		1,567,470	2,813,812
II. TRADE RECEIVABLES				
1. Trade receivables (ct.2675*+2676*+2678*+2679*-2966*-2968*+4092+411+413+418-491)	31		27,638,815	34,960,816
2. Receivables from subsidiaries (ct. 451**-495*)	32		107,026,398	105,354,224
3. Receivables from associates(ct. 453-495*)	33		-	-
4. Other receivables (ct. 425+4282+431** +437**+4382+ 441**+4424+ 4428**+444**+445+446**+447**+4482+4582+4662+461+ 473**-496+5187)	34		4,004,357	5,430,696
5. Subscribed and un-paid in share capital (ct. 456-495*)	35			
TOTAL: (rd. 25 la 29)	36	5a)	138,669,570	145,745,736
III. SHORT TERM FINANCIAL INVESTMENTS				
1. Shares held in subsidiaries (ct. 501-591)	37		-	-
2. Other short term investments (ct.505+506+507+din ct. 508-595-596-598+5113+5114)	38		-	-
TOTAL: (rd. 37 + 38)	39		-	-
IV. PETTY CASH AND BANK ACCOUNTS (din ct. 508+ct. 5112+512+531+532+541+542)				
CURRENT ASSETS - TOTAL (rd. 30+36+39+40)	41		157,606,916	167,110,942
C. ACCRUED EXPENSES (ct. 471)				
Amounts resumed in less than one year (din ct. 471*)	43		63,932	186,005
Amounts resumed in over one year (din ct. 471*)	44		-	-
TOTAL ASSETS			1,915,781,779	2,061,796,577
D. LIABILITIES: AMOUNTS PAYABLE IN A PERIOD UP TO A YEAR				
1. Debenture loans, separate disclosure of convertible debenture loans (ct. 161+1681-169)	45		-	-
2. Payables to credit institutions (ct.1621+1622+1624+1625+1627+1682 +5191+5192+5198)	46		57,455,824	75,339,338
3. Advance payments from customers (ct. 419)	47		-	
4. Trade payables (ct. 401+404+408)	48		59,548,184	89,239,719
5. Trade notes payable (ct. 403+405)	49		-	
6. Payables to subsidiaries (ct. 1661+ 1685+ 2691+ 451***)	50		39,270,121	37,781,886
7. Payables to associates/entities (ct.1663+1686+2692+2693+453***)	51		-	-
8. Other liabilities, including tax payables (ct.1623+1626+167+1687+2695+421+423+424+426+427+4281+ 431*** +437*** +4381+441***+4423+4428***+444***+446***+447***+4481+455+456***+457+4581+462+4661+473***+509+5186+5193+5194+5195+5196+5197)	52		31,649,397	31,521,209

**Filiala de Distribuție a Energiei Electrice
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STATEMENT OF FINANCIAL POSITION
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Indicator	Line no.	Note no.	Balance at the beginning of the year	Balance at the end of the year
A	B		1	2
TOTAL (rd. 44 la 52)	53	5 b)	187,923,526	233,882,152
E. CURRENT ASSETS AND NET CURRENT LIABILITY (rd. 41+43-53-70-73-76)	54		-64,562,122	-103,059,129
F. TOTAL ASSETS MINUS CURRENT LIABILITIES (rd. 25+44+54)	55		1,693,548,809	1,791,440,501
G. LIABILITIES: AMMOUNTS PAYABLE IN A PERIOD OVER ONE YEAR				
1. Debenture loans, separate disclosure of convertible debenture loans (ct. 161+1681-169)	56		-	-
2. Payables to credit institutions (ct.1621+1622+1624+1625+1627+1682 +5191+5192+5198)	57		10,629,756	8,012,647
3. Advance payments from customers (ct. 419)	58		-	-
4. Trade payables (ct. 401+404+408)	59		2,616,337	-
5. Trade notes payable (ct. 403+405)	60		-	-
6. Payables to subsidiaries (ct. 1661+ 1685+ 2691+ 451***)	61		-	-
7. Payables to associates(ct.1663+1686+2692+2693+453***)	62		-	-
8. Other liabilities, including payables to the state budget and social security payables (ct.1623+1626+167+1687+2695+421+423+424+426+427+4281+ 431*** +437*** +4381+441***+4423+4428***+444***+446***+447***+4481+455+456***+457+4581+462+4661+473***+509+5186+5193+5194+5195+5196+5197)	63		-	-
TOTAL: (rd. 56 la 63)	64	5 b)	13,246,093	8,012,647
H. PROVISIONS				
1. Provisions for employee benefits (ct. 1515+1517)	65		43,056,224	39,725,499
2. Provisions for taxes (ct. 1516)	66		23,594,961	24,351,035
3. Other provisions (ct. 1511+1512+1513+1514+1518)	67		2,133,732	4,970,342
TOTAL PROVISIONS : (rd. 65 la 67)	68	2	68,784,917	69,046,876
I. ACCRUED INCOME				
1. Investment subsidies (ct. 475) (rd. 70+71)	69		11,754,560	11,371,141
Amounts to be transferred as income in less than one year (ct. 475*)	70		984,724	1,323,737
Amounts to be transferred as income in over one year (ct. 475*)	71		10,769,836	10,047,404
2. Deferred income (ct. 472) (rd. 73+74)	72	11	226,287	404,042
Amounts to be transferred as income in less than one year (ct. 472*)	73		226,287	404,042
Amounts to be transferred as income in over one year (ct. 472*)	74		-	-
3. Deferred income corresponding to assets received by transfer from clients (ct. 478) (rd.76+77)	75		480,939,134	503,267,808
Amounts to be transferred as income in less than one year (ct. 478*)	76		33,098,433	34,746,145
Amounts to be transferred as income in over one year (ct. 478*)	77		447,840,701	468,521,663
Negative goodwill (ct. 2075)			-	-
TOTAL (rd. 69+72+75+78)	79		492,919,981	515,042,991
J. CAPITAL AND RESERVES				
I. CAPITAL		8		

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STATEMENT OF FINANCIAL POSITION
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Indicator	Line no.	Note no.	Balance at the beginning of the year	Balance at the end of the year
A	B		1	2
1. Subscribed paid capital (ct. 1012)	80		371,264,060	371,264,060
2. Subscribed unpaid capital (ct. 1011)	81		-	-
3. Patrimony (ct. 1015)	82		-	-
4. Patrimony of research institutes (ct. 1018)	83		-	-
5. Other elements of equity (ct. 1031)	84		-	-
TOTAL (rd. 80 la 84)	85		371,264,060	371,264,060
II. PREMIUM RELATED TO CAPITAL (ct. 104)	86		-	-
III. REVALUATION RESERVE (ct 105)	87		496,496,332	461,314,102
IV. RESERVES				
1. Legal reserves (ct. 1061)	88		23,603,243	32,906,371
2. Statutory or contractual reserves (ct. 1063)	89		-	-
3. Other reserves (ct. 1068)	90		6,892,623	20,289,565
TOTAL (rd. 88 la 90)	91		30,495,866	53,195,936
Own shares (ct. 109)	92		-	-
Gains in respect of own capital instruments (ct. 141)	93		-	-
Loss in respect of own capital instruments (ct. 149)	94		-	-
V. PROFIT OR LOSS CARRIED FORWARD Sold C (ct. 117)	95		165,338,060	200,520,289
Sold D (ct. 117)	96		-	-
VI. PROFIT OR LOSS OF THE FINANCIAL PERIOD				
Sold C (ct. 121)	97		95,331,140	158,820,652
Sold D (ct. 121)	98		-	-
Profit allocation (ct. 129)	99	3	6,018,196	9,303,128
EQUITY – TOTAL (rd. 85+86+87+91-92+93-94+95-96+97-98-99)	100		1,152,907,262	1,235,811,911
Public patrimony (ct. 1016)	101			
Privat patrimony (ct. 1017)	102			
EQUITY - TOTAL (rd. 100+101+102)	103		1,152,907,262	1,235,811,911
TOTAL LIABILITY			1,915,781,779	2,061,796,577

The attached notes are integrated to the hereby balance sheet.

Manager,

General Manager

Ing. Emil Merdan

Financial Manager

Ec. Dora Fataceanu

**Filiala de Distribuție a Energiei Electrice
Electrica Distribuție Transilvania Nord S.A.**
STATEMENT OF FINANCIAL POSITION
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

**Filiala de Distribuție a Energiei Electrice
Electrica Distribuție Transilvania Nord S.A.**
INCOME STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

		Nr.		2014	2015
Indicator		rd.	Note no.	1	2
A		B			
1	Net turnover (rd. 02+03-04+05+06)	01		632,987,311	675,405,531
	Sold production (ct. 701+702+703+704+705+706+708)	02		632,378,283	674,620,339
	Income from sale of goods for resale (ct. 707)	03		609,028	785,193
	Trade discounts granted (ct 709)	04		-	-
	Interest Income recorded by the entities erased from the General Register, still having lease contracts in progress (ct. 766)	05		-	-
	Income from operation subsidies related to turnover (ct. 7411)	06		-	-
2	Income related to production in progress cost (ct. 711 + 712)				
	Sold C	07		-	-
	Sold D	08		-	-
3	Income from intangible and tangible assets production (ct. 721+722)	09		2,968,596	2,117,489
4	Income from tangible assets revaluation (ct. 755)	10		-	-
5	Income from real estate production (ct.725)	11		-	-
6	Income from subsidies (ct. 7412+7413+7414+7415+7416+7417+7419)	12		46,094	25,605
7	Other operating income (ct. 751+758+7815)	13		37,032,910	41,559,799
	Of which, income from negative goodwill (ct. 7815)	14		-	-
	Of which, income from investment subsidies (ct. 7584)	15		34,083,157	38,266,968
I	OPERATING INCOME – TOTAL (rd. 01+07-08+09+10+11+12+13)	16	4	673,034,911	719,108,424
8	Raw materials and consumable expenses (ct. 601+602)	17		4,438,935	4,140,161
	Other material expenses (ct. 603+604+606+608)	18		130,966,674	136,103,958
	Other external expenses (energy and water) (ct. 605)	19		3,909,384	5,289,378
	Goods for resale expenses (ct. 607)	20		608,158	784,038
	Trade discounts received (ct 609)	21		-	-
9	Personal expenses (rd. 23+24), of which:	22		127,195,622	121,030,353
	Salaries and wages (ct. 641+642+643+644)	23		100,216,330	98,175,279
	Social security expenses (ct. 645)	24		26,979,292	22,855,074
10	a) Value adjustment related to tangible and intangible assets (rd. 26-27)	25		135,738,004	129,932,104
	a.1) Expenses ct. 6811+6813+6817)	26		169,532,084	127,708,382
	a.2) Income (ct. 7813)	27		33,794,080	776,278
	b) Value adjustment related to current assets (rd. 25-26)	28		(442,762)	901,485
	b.1) Expenses (ct. 654+6814)	29		2,770,953	3,367,989
	b.2) Income (ct. 754+7814)	30		3,213,715	2,466,504
11	Other operating expenses (rd.32 la 37)	31		155,805,200	137,052,111
	11.1 Third party services expenses (ct.611+612+613+614+621+622+623+624+625+626+627+628)	32		132,972,229	117,279,388
	11.2 Other taxes , duties and similar expenses; expenses with transfers and contributions based on special legal documents (ct. 635+6586*)	33		21,254,477	17,212,817
	11.3 Environment expenses (ct.652)	34		17,187	21,804
	11.4 Expenses with tangible assets revaluation (ct. 655)	35		-	-

**Filiala de Distribuție a Energiei Electrice
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INCOME STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

		Nr.		2014	2015
Indicator		rd.	Note no.		
A		B		1	2
	11.5 Expenses related to natural disasters and other similar events (ct. 6587)	36		-	-
	11.6 Other expenses (ct. 6581+6582+6583+6588)	37		1,561,307	2,538,102
	Refinancing interest expenses of the entities erased from the General Register, still having lease contracts in progress (ct. 666*)	38		-	-
	Adjustments for provisions (rd.40-41)	39		(4,835,042)	261,959
	Expenses (ct. 6812)	40		2,127,021	4,831,289
	Income (ct. 7812)	41		6,962,063	4,569,330
II	OPERATING EXPENSES – TOTAL (rd. 17 la 20-21+22+25+28+31+38+39)	42	4	553,384,173	532,495,547
A	OPERATING PROFIT OR LOSS :				
	- Profit (rd. 12-35)	43	4	119,650,738	186,612,877
	- Loss (rd. 35-12)	44	4	-	-
12	Income from investments in associates(ct. 7611++7612+7613)	45		-	-
	- of which, income from affiliated entities	46		-	-
13	Interest income (ct. 766*)	47		504,789	172,283
	- of which, income from affiliated entities	48		-	-
14	Subsidies related to interest payable (ct. 7418)	49		-	-
15	Other financial income (ct. 762+764+765+767+768+7615)	50		1,250,405	943,116
	- of which, income from other financial assets (ct.7615)	51		-	-
I	FINANCIAL INCOME – TOTAL (rd. 45+47+49+50)	52		1,755,194	1,115,399
16	Value adjustments related to financial assets and investments held as current assets (rd. 54-55)	53		-	-
	Expenses (ct. 686)	54		-	-
	Income (ct. 786)	55		-	-
17	Interest expenses (ct. 666*)	56		55,571	654,637
	- of which, expenses to affiliated entities	57		-	-
	Other financial expenses (ct. 663+664+665+667+668)	58		986,437	1,011,077
II	FINANCIAL EXPENSES– TOTAL (rd. 53+56+58)	59		1,042,008	1,665,714
B	FINANCIAL PROFIT OR LOSS(A):				
	- Profit (rd. 52-59)	60		713,186	-
	- Loss (rd. 59-52)	61		-	550,315
	TOTAL INCOME (rd. 16+52)	62		674,790,105	720,223,823
	TOTAL EXPENSES (rd. 42+59)	63		554,426,181	534,161,261
18	GROSS PROFIT OR LOSS				
	- Profit (rd. 62-63)	64		120,363,924	186,062,562
	- Loss (rd. 63-62)	65		-	-
19	INCOME TAX (ct. 691)	66	11 f)	25,032,784	27,241,910
20	Other taxes not included above (ct. 698)	67		-	-

**Filiala de Distribuție a Energiei Electrice
Electrica Distribuție Transilvania Nord S.A.**
INCOME STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

		Nr.		2014	2015
Indicator		rd.	Note no.		
A		B		1	2
21	PROFIT OR LOSS OF THE FINANCIAL PERIOD				
	-Profit (rd. 64-65-66-67)	68		95,331,140	158,820,652
	-Loss (rd. 65+66+67-64)	69		-	

The attached notes are integrated to the hereby balance sheet.

Manager,

General Manager

Ing. Emil Merdan

Financial Manager

Ec. Dora Fataceanu

**Filiala de Distribuție a Energiei Electrice
Electrica Distribuție Transilvania Nord S.A.**
STATEMENT OF CASH FLOWS
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

	2014	2015
Cash flows from operating activities		
Gross Profit	120,363,923	186,062,562
Adjustments for:		
Depreciation and depreciation adjustments of intangible and tangible assets	135,738,004	126,932,104
Depreciation adjustments of financial assets	(442,762)	901,485
Allowance for current assets	(34,083,157)	(38,266,968)
Income from provisions, net	(4,835,042)	(261,959)
Financial income, net	(713,186)	(550,315)
Profit / (Loss) on sale or disposal of tangible and intangible assets	(24,750)	843,679
Operating profit before changes in working capital	216,003,030	277,285,136
(Increase) / decrease in inventories	178,902	(1,246,343)
Decrease / (Increase) in trade and other receivables and otherwise	(4,323,417)	(8,150,851)
(Decrease) / Increase in trade and other payables	(22,635,718)	15,010,350
Deferred income	57,610,709	60,212,223
Change in working capital	30,830,476	65,825,379
Interest paid	(21,869)	(679,170)
Income tax paid	(26,287,616)	(30,573,621)
Cash generated from operating activities	220,524,021	311,857,724
Cash flows from investing activities		
Payments for acquisitions of tangible assets	(139,573,655)	(169,026,178)
Acquisitions of assets received by transfers from clients	(52,564,465)	(59,489,417)
Proceeds from sale of tangible and intangible assets	24,750	92,139
Interest received	532,858	179,981
Net cash from investing activities	(191,580,512)	(228,243,475)
Cash flows from financing activities		
Proceeds from borrowings		
Repayment of borrowings	(28,660,974)	(30,312,558)
Payment of finance lease debts		
Dividends paid	(53,028,154)	(75,916,002)
Proceeds from short-term borrowings		51,753,319
Repayment of short-term borrowings		(1,832,462)
Net cash from financing activities	(81,689,128)	(56,307,703)
Net decrease / increase in cash and cash equivalents	(52,745,619)	27,306,546
Cash and cash equivalents at the beginning of the financial year	31,154,211	(21,591,408)
Cash and cash equivalents at the end of the financial year	(21,591,408)	5,715,138

Manager,

General Manager

Ing. Emil Merdan

Financial Manager

Ec. Dora Fataceanu

**Filiala de Distribuție a Energiei Electrice
Electrica Distribuție Transilvania Nord S.A.**
STATEMENT OF CHANGES IN EQUITY
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Element of equity	Balance at 1 January 2015	Increases		Decreases		Balance at 31 December 2015
		Total, of which	Through transfer	Total, of which	Through transfer	
0	1	2	3	4	5	6
Subscribed capital	371,264,060	-	-	-	-	371,264,060
Revaluation reserves	496,496,332	-	-	35,182,230	35,182,230	461,314,102
Legal reserves	23,603,243	9,303,128	9,303,128	-	-	32,906,371
Other reserves	6,892,623	13,396,942	13,396,942	-	-	20,289,565
Profit / Loss carried forward	165,338,060	124,495,173	124,495,173	89,312,944	13,396,942	200,520,289
Profit / Loss of the year - Profit	95,331,140	158,820,652	-	95,331,140	95,331,140	158,820,652
Profit appropriation	(6,018,196)	(9,303,128)	(9,303,128)	(6,018,196)	(6,018,196)	(9,303,128)
Total Equity	1,152,907,262	296,712,767	137,892,115	213,808,118	137,892,116	1,235,811,911

During 2015 the Company paid dividends in amount of 75,916,002 lei and had transferred to "Other reserves" the remaining undistributed profit of the year 2014 in amount of 13,396,942 lei.

Manager,

General Manager

Ing. Emil Merdan

Financial Manager

Ec. Dora Fataceanu

**Filiala de Distribuție a Energiei Electrice
Electrica Distribuție Transilvania Nord S.A.**
STATEMENT OF CHANGES IN EQUITY
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Element of equity	Balance at 1 January 2015	Increases		Decreases		Balance at 31 December 2015
		Total, of which	Through transfer	Total, of which	Through transfer	
0	1	2	3	4	5	6
Subscribed capital	371,264,060	-	-	-	-	371,264,060
Revaluation reserves	390,707,327	263,931,777	-	158,142,772	29,011,841	496,496,332
Legal reserves	17,585,047	6,018,196	6,018,196	-	-	23,603,243
Other reserves	572,714	6,319,909	6,319,909	-	-	6,892,623
Profit / Loss carried forward	136,326,219	88,359,904	88,359,904	59,348,063	6,319,909	165,338,060
Profit / Loss of the year - Profit	63,705,345	95,331,140	-	63,705,345	63,705,345	95,331,140
Profit appropriation	(4,357,282)	(6,018,196)	(6,018,196)	(4,357,282)	(4,357,282)	(6,018,196)
Total Equity	975,803,430	453,942,730	94,679,813	276,838,898	137,892,116	1,152,907,262

During 2014 the Company paid dividends in amount of 53,028,154 lei and had transferred to "Other reserves" the remaining undistributed profit of the year 2013 in amount of 6,319,909 lei.