

**FDEE ELECTRICA DISTRIBUTIE
MUNTENIA NORD SA**

Contents **Page** **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**

BALANCE SHEET as at
31 December 2015

Description		Row No.	Balance at:	
			1 January 2015	31 December 2015
A		B	1	2
A. NON-CURRENT ASSETS				
I. INTANGIBLE ASSETS				
	1. Set-up costs	01	0	0
	2. Development costs	02	0	0
	3. Concession rights, patents, licenses, trademarks and other similar rights and other intangible assets	03	28,048,276	29,351,182
	4. Goodwill	04	0	0
	5. Intangible assets for exploration and evaluation of mineral resources	05	0	0
	6. Advances	06		
	TOTAL (row 01 to 06)	07	28,048,276	29,351,182
II. PROPERTY, PLANT AND EQUIPMENT				
	1. Land and buildings	08	1,339,420,438	1,354,635,287
	2. Technical equipment and machinery	09	531,635,274	603,687,535
	3. Other equipment, fixture and fittings	10	2,554,584	3,282,063
	4. Real estate investments	11		
	5. Tangible assets in progress	12	73,558,571	50,522,524
	6. Real estate investments in progress	13		
	7. Tangible assets for exploration and evaluation of mineral resources	14		
	8. Productive biological assets	15		
	9. Advances	16	„	„
	TOTAL (row 08 to 16)	17	1,947,168,867	2,012,127,409
III. FINANCIAL ASSETS				
	1. Shares held in subsidiaries	18		
	2. Loans to subsidiaries	19		
	3. Investments in associates	20		
	4. Loans to associates	21		
	5. Other long term investments	22		
	6. Other loans	23	157,702	67,825
	TOTAL (row 18 to 23)	24	157,702	67,825
	NON CURRENT ASSETS – TOTAL (rd 07+17+24)	25	1,975,374,845	2,041,546,416
B. CURRENT ASSETS				
I. INVENTORIES				
	1. Raw materials and consumables	26	2,274,968	4,582,845
	2. Work in progress	27	0	0
	3. Finished goods and goods for resale	28	0	0

FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
STATEMENT OF FINANCIAL POSITION as at 31.12.2015
(All amounts in RON, unless otherwise specified)

Description	Row No.	Balance at:	
		1 January 2015	31 December 2015
A	B	1	2
4. Advances for purchases of inventories	29	0	0
TOTAL (row 26 to 29)	30	2,274,968	4,582,845
II. TRADE RECEIVABLES			
1. Trade receivables	31	31,495,525	36,446,042
2. Receivables from subsidiaries	32	117,811,410	115,960,027
3. Receivables from associates	33	0	0
4. Other receivables	34	13,631,325	26,029,426
5. Subscribed un-paid share capital	35	0	0
TOTAL (row 31 to 35)	36	162,938,260	178,435,495
III. SHORT TERM INVESTMENTS			
1. Shares held in subsidiaries	37	0	0
2. Other short term investments	38	182,100,000	87,486,000
TOTAL (row 37 to 38)	39	182,100,000	87,486,000
IV. PETTY CASH AND BANK ACCOUNTS			
	40	102,320,949	123,985,415
CURRENT ASSETS – TOTAL (rd. 30 + 36 + 39 + 40)			
	41	449,634,177	394,489,755
C. PREPAYMENTS (row 43 to 44)	42	73,958,	2,052,846
Amounts to be transferred to expenses in a period below one year	43	73,958	2,052,846
Amounts to be transferred to expense in a period above one year	44		
D. LIABILITIES: AMOUNTS PAYABLE IN A PERIOD BELOW ONE YEAR			
1. Debenture loans, separate disclosure of convertible debenture loans	45	0	0
2. Bank loans	46	14,961,709	20,859,718
3. Advance payments received from customers	47	0	0
4. Trade payables	48	55,001,090	81,593,916
5. Trade notes payable	49	0	0
6. Amounts due to subsidiaries	50	36,509,257	27,227,297
7. Amounts due to associates	51	0	0
8. Other payables including payables to the state budget and social security payables	52	35,087,009	25,537,547
TOTAL (row 45 to 52)	53	141,559,065	155,218,478
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 41+43-53-70-73-76)	54	286,510,405	217,055,022
F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 25+44+54)	55	2,261,885,250	2,258,601,438

FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
STATEMENT OF FINANCIAL POSITION as at 31.12.2015
(All amounts in RON, unless otherwise specified)

Description	Row No.	Balance at:	
		1 January 2015	31 December 2015
A	B	1	2
G. LIABILITIES: AMOUNTS PAYABLE IN A PERIOD ABOVE ONE YEAR			
1. Debenture loans, separate disclosure of convertible debenture loans	56	0	0
2. Bank loans	57	44,422,575	28,050,711
3. Advance payments from customers	58	0	0
4. Trade payables	59	46,679,985	25,862,682
5. Trade notes payable	60	0	0
6. Amounts due to subsidiaries	61	0	0
7. Amounts due to associates	62	0	0
8. Other payables including payables to the state budget and social security payables	63	0	0
TOTAL (row 56 to 63)	64	91,102,560	53,913,393
H. PROVISIONS			
1. Provision for pensions and similar liabilities	65	49,047,522	41,376,997
2. Provisions for taxes	66	35,609,620	49,571,973
3. Other provisions	67	23,199,767	3,567,770
TOTAL (row 65 to 67)	68	107,856,909	94,516,740
I. DEFERRED INCOME			
1. Investment subsidies (row 70 to 71)	69	11,376,631	11,385,269
Amounts to be transferred to income in a period below one year	70	1,328,477	667,274
Amounts to be transferred to income in a period above one year	71	10,048,154	10,717,995
2. Deferred income – total (row 73 + 74), of which:	72	1,234,184	1,516,694
Amounts to be transferred to income in a period below one year	73	1,234,184	1,516,694
Amounts to be transferred to income in a period above one year	74	0	0
3. Deffered income corresponding to assets received by transfer from clients (row 76 + 77)	75	499,128,127	507,612,838
Amounts to be transferred to income in a period below one year	76	19,076,004	22,085,133
Amounts to be transferred to income in a period above one year	77	480,052,124	485,527,705
Negative goodwill	78	0	0
TOTAL (row 69 + 72 + 75 + 78)	79	511,738,942	520,514,801
J. CAPITAL AND RESERVES			
I. CAPITAL			
1. Subscribed paid in capital	80	354,364,670	354,364,670
2. Subscribed unpaid capital	81	0	0
3. Patrimony	82	0	0

FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
STATEMENT OF FINANCIAL POSITION as at 31.12.2015
(All amounts in RON, unless otherwise specified)

Description		Row No.	Balance at:	
			1 January 2015	31 December 2015
A		B	1	2
4. Patrimony of research institutes		83	0	0
5. Other elements of equity		84		
TOTAL (row 80 to 84)		85	354,364,670	354,364,670
II. SHARE PREMIUM		86	0	0
III. REVALUATION RESERVE		87	612,568,955	576,449,460
IV. RESERVES				
1. Legal reserves		88	43,739,817	53,071,633
2. Statutory or contractual reserves		89	0	0
3. Other reserves		90	64,125,767	83,900,978
TOTAL (row 88 to 90)		91	107,865,584	136,972,611
Own shares		92		
Gains in respect of own shares instruments		93		
Losses in respect of own shares instruments		94		
V. PROFIT OR LOSS CARRIED FORWARD	C BALANCE	95	366,191,557	402.311.052
	D BALANCE	96	0	0
VI. PROFIT OR LOSS FOR THE YEAR	C BALANCE	97	140,265,042	153.159.628
	D BALANCE	98	0	0
Profit appropriation		99	8,430,304	9,331,816
EQUITY – TOTAL (row 85+86+87+91-92+93-94+95-96+97-98-99)		100	1,572,825,504	1,613,925,605
Public patrimony		101	0	0
Private patrimony		102		
EQUITY – TOTAL (row 100 + 101 + 102)		103	1,572,825,504	1,613,925,605

Administrator,
Darius Dumitru Mesca

Prepared by,
Gabriela Blagoi

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FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
INCOME STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Item description		Row no.	Financial year	
			2014	2015
A		B	1	2
1.	Turnover (row 02 + 03 – 04 + 05 + 06)	01	755,786,785	764,797,844
	Production sold	02	753,802,619	764,201,181
	Income from sale of goods for resale	03	1,984,166	596,663
	Trade discounts granted	04	0	0
	Interest Income recorded by the entities erased from the General Register, still having lease contracts in progress	05	0	0
	Income from subsidies related to income	06	0	0
2.	Income related to the cost of production of work in progress	C Balance	07	0
		D Balance	08	0
3.	Production made by the entity for its own needs and capitalized	09	2,212,834	2,414,523
4.	Income from tangible assets revaluation	10		
5.	Income from real estate production	11	0	0
6.	Income from subsidies	12		
7.	Other operating income	13	35,617,563	23,312,801
	- out of which, income from negative goodwill	14	0	0
	- out of which, income from investment subsidies	15		
	OPERATING INCOME – TOTAL (row 01 + 07 - 08 + 09 + 10+11+12+13)	16	793,617,182	790,525,168
8.	a) Raw materials and consumables expenses	17	7,731,794	5,219,856
	Other material expenses	18	201,195,330	196,746,422
	b) Other external expenses (with energy and water)	29	6,094,221	7,144,533
	c) Goods for resale expenses	20	695,671	229,068
	Trade discounts received	21	0	0
9.	Personnel expenses (row 23 + 24), out of which:	22	139,530,458	131,793,657
	a) Salaries and wages	23	109,797,897	106,488,411
	b) Social security expenses	24	29,732,561	25,305,246
10.	a) Value adjustment to tangible and intangible assets (row 26 - 27)	25	111,995,717	106,695,183
	a.1) Expenses	26	133,329,035	106,695,183
	a.2) Income	27	21,333,318	0
	b) Value Adjustment to current assets (row 29 - 30)	28	(2,078,378)	2,417,774
	b.1) Expenses	29	1,427,002	3,916,581
	b.2) Income	30	3,505,380	1,498,807
11.	Other operating expenses (row 32 to 38)	31	183,287,966	170,718,422
	11.1. Third party services expenses	32	152,296,867	130,226,879
	11.2. Expenses with other taxes, duties and similar payments	33	27,639,643	37,539,816
	11.3 Expenses on environmental protection	34	82,491	20,186
	11.4 Expenses with tangible assets revaluation	35		
	11.5 Expenses related to natural disasters and other similar events	36		

FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
INCOME STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

	Item description	Row no.	Financial year	
			2014	2015
	A	B	1	2
	11.6 Other expenses	37	3,268,965	2,931,541
	Refinancing interest expenses of the entities erased from the General Register, still having lease contracts in progress	38	0	0
	Adjustments for provisions (row 40 - 41)	39	(14,491,704)	(13,340,169)
	- Expenses	40	1,900,205	14,045,291
	- Income	41	16,391,909	27,385,460
	OPERATING EXPENSES – TOTAL (row 17 to 20-21+22+25+28+31+39)	42	633,961,075	607,624,746
	OPERATING PROFIT/LOSS:			
	- Profit (row 16 - 42)	43	159,656,107	182,900,422
	- Loss (row 42 - 16)	44	0	0
12.	Income from financial investments	45	0	0
	- out of which, income from affiliates	46	0	0
13.	Interest income	47	7,909,386	3,811,000
	- out of which, income from affiliates	48	0	0
14.	Subsidies related to interest payable	49		
15	Other financial income	50	3,907,048	4,223,560
	- out of which, income from other financial assets	51		
	FINANCIAL INCOME – TOTAL (row 45 + 47 + 49 + 50)	52	11,816,434	8,034,560
16.	Value adjustments to financial assets and financial investments held as current assets (row 54 - 55)	53	0	0
	- Expenses	54	0	0
	- Income	55	0	0
17.	Interest expense	56		
	- out of which, expenses in relation with affiliates	57		
	Other financial expenses	58	2,866,462	4,298,690
	FINANCIAL EXPENSES – TOTAL (row 53 + 56 + 58)	59	2,866,462	4,298,690
	FINANCIAL PROFIT/LOSS:			
	- Profit (row 52 - 59)	60	8,949,972	3,735,870
	- Loss (row 59 - 52)	61	0	0
	TOTAL INCOME (row 16 + 52)	62	805,433,616	798,559,728
	TOTAL EXPENSES (row 42 + 59)	63	636,827,537	611,923,436
18.	GROSS PROFIT OR LOSS:			

FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
INCOME STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Item description		Row no.	Financial year	
			2014	2015
A		B	1	2
	- Profit (row 62 - 63)	64	168,606,079	186,636,292
	- Loss (row 63 - 62)	65		
19.	Income tax	66	28,341,037	33,476,664
20.	Other taxes not disclosed among the above items	67	0	0
21.	FINANCIAL YEAR NET PROFIT OR LOSS :			
	- Profit (row 64 -65 – 66 - 67)	68	140,265,042	153,159,628
	- Loss (row 65 + 66 + 67 - 64)	69		

Administrator,
Darius Dumitru Mesca

Prepared by,
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FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
STATEMENT OF CHANGES IN EQUITY
for the year ended 31.12.2015

(All amounts in RON, unless otherwise specified)

2015

Item description		Balance at 1 January 2015	Increases		Decreases		Balance at 31 December 2015
			Total, of which	Through transfer	Total, of which	Through transfer	
Subscribed capital		354,364,670	-	-	-	-	354,364,670
Revaluation reserves		612,568,955	-	-	36,119,495	36,119,495	576,449,460
Legal reserves		43,739,817	9,331,816	9,331,816	-	-	53,071,633
Statutory or contractual reserves		42,028,641	-	-	-	-	42,028,641
Other reserves		22,097,126	19,775,211	19,775,211	-	-	41,872,337
Profit / Loss carried forward	C Balance	366,191,557	167,954,233	167,954,233	131,834,738	19,775,211	402,311,052
	D Balance						
Profit / Loss for the year	C Balance	140,265,042	153,159,628	-	140,265,042	140,265,042	153,159,628
	D Balance	-	-	-	-	-	-
Profit appropriation		(8,430,304)	(9,331,816)	(9,331,816)	(8,430,304)	(8,430,304)	(9,331,816)
Total Equity (capitaluri proprii)		1,572,825,504	340,889,072	187,729,444	299,788,971	187,729,444	1,613,925,605

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FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
STATEMENT OF CHANGES IN EQUITY
for the year ended 31.12.2015

(All amounts in RON, unless otherwise specified)

2014

Item description		Balance at 1 January 2014	Increases		Decreases		Balance at 31 December 2014
			Total, of which	Through transfer	Total, of which	Through transfer	
Subscribed capital		354,364,670	-	-	-	-	354,364,670
Revaluation reserves		812,161,746	314,694,159	-	514,286,950	348,042,469	612,568,955
Legal reserves		35,309,514	8,430,304	8,430,304	-	-	43,739,817
Statutory or contractual reserves		42,028,641	-	-	-	-	42,028,641
Reserves representing the realized revaluation reserve surplus		-	-	-	-	-	-
Other reserves		8,361,674	13,735,452	13,735,452	-	-	22,097,126
Profit / Loss carried forward	C Balance	18,149,088	467,288,151	467,288,151	119,245,682	13,735,452	366,191,557
	D Balance	-	-	-	-	-	-
Profit / Loss for the year	C Balance	126,509,974	140,265,042	-	126,509,974	126,509,974	140,265,042
	D Balance	-	-	-	-	-	-
Profit appropriation		(7,264,292)	(8,430,304)	(8,430,304)	(7,264,292)	(7,264,292)	(8,430,304)
Total Equity (capitaluri proprii)		1,389,621,015	935,982,804	481,023,603	752,778,314	481,023,603	1,572,825,504

Administrator,
Darius Dumitru Mesca

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Gabriela Blagoi

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FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
CASH FLOW STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Indirect Method

Name of item	Financial year	
	2014	2015
A	1	2
Cash flows from operating activities		
Gross Profit	168,606,079	186,636,292
<i>Adjustments for:</i>		
Depreciation and depreciation adjustments of intangible and tangible assets	111,995,717	106,695,183
Allowance for current assets	(2,078,378)	2,417,775
Expenses/Income of provisions for risks and charges, net	(14,491,704)	(13,340,169)
Resumption of deferred income	(32,735,751)	(19,754,684)
Profit / (Loss) on sale or disposal of tangible and intangible assets	1,211,505	4,123
Financial Profit/Loss, net	(8,949,972)	(3,735,870)
Operating profit before changes in working capital	223,557,496	258,922,650
Decrease / (Increase) in trade and other receivables and otherwise	(4,054,845)	(22,140,020)
(Increase) / decrease in inventories	14,893,069	(2,307,877)
(Decrease) / Increase in trade and other payables	(21,170,385)	21,917,470
Deferred income	39,431,494	19,763,322
Interest paid	-	-
Income tax paid	(17,456,534)	(41,725,935)
Cash generated from operating activities	235,200,295	234,429,610
Cash flows from investing activities		
Payments for acquisitions of tangible and intangible assets	(116,609,980)	(143,436,069)
Acquisitions of assets received by transfers from clients	(40,874,800)	(34,683,097)
The formation of deposits with maturity of more than 3 months	(383,480,534)	(206,172,000)
Proceeds from the maturity of deposits with maturity of more than 3 months	201,380,537	302,286,000
Interest received	9,479,982	4,481,992
Net cash from investing activities	(330,104,795)	(77,523,174)
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of debts to the banks regarding supplier credits transferred	(29,630,957)	(23,182,443)
Repayment of borrowings to affiliated parties	-	-
Dividends paid	(105,510,230)	(112,059,527)
Net cash from financing activities	(135,141,187)	(135,241,970)
Net decrease / increase in cash and cash equivalents	(230,045,687)	21,664,466
Cash and cash equivalents at the beginning of the financial year	332,366,636	102,320,949
Cash and cash equivalents at the end of the financial year	102,320,949	123,985,415

FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
CASH FLOW STATEMENT
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

Administrator,
Darius Dumitru Mesca

Prepared by,
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FDEE ELECTRICA DISTRIBUTIE MUNTENIA NORD
EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31.12.2015
(All amounts in RON, unless otherwise specified)

NOTE 1: Non – current assets

Elements of non-current assets	Gross value						Value Adjustments (depreciation and depreciation adjustments or impairment losses)						Net book value	
	Balance at 1 Jan 2015	Additions	Revaluation	Disposals	Transfers	Balance at 31 Dec 2015	Balance at 1 Jan 2015	Additions	Reductions	Disposals	Transfers	Balance at 31 Dec 2015	Balance at 1 Jan 2015	Balance at 31 Dec 2015
0	1	2	3	4	5	5 = 1 + 2 + 3 - 4 - 5	6	7	8	9	10	11 = 6 + 7 - 8 - 9 - 10	12=1-6	13=5-11
a) Intangible assets														
Set-up and development costs, concessions, patents, goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets	62,582,731	5,981,172	-	-	-	68,563,903	34,534,455	4,678,266	-	-	-	39,212,721	28,048,276	29,351,182
Advances and intangible assets in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Intangible assets	62,582,731	5,981,172	-	-	-	68,563,903	34,534,455	4,678,266	-	-	-	39,212,721	28,048,276	29,351,182
b) Property, plant and equipment														
Land and land improvements	41,481,468	-	-	-	-	41,481,468	-	-	-	-	-	-	41,481,468	41,481,468
Buildings	1,297,939,452	74,864,557	-	110,746	-	1,372,693,263	482	59,541,091	2,129	-	-	59,539,444	1,297,938,970	1,313,153,819
Technical equipment and machinery	531,752,708	114,441,703	-	450,839	-	645,743,572	117,434	42,061,270	122,667	-	-	42,056,037	531,635,274	603,687,535
Other equipment, fixture and fittings	5,144,569	1,122,037	-	30,053	-	6,236,553	2,589,985	391,843	27,338	-	-	2,954,490	2,554,584	3,282,063
Advances and tangible assets in progress	73,951,529	167,666,232	-	190,670,900	-	50,946,861	392,958	31,379	-	-	-	424,337	73,558,571	50,522,524
Total Property, plant and equipment	1,950,269,726	358,094,529	-	191,262,538	-	2,117,101,717	3,100,859	102,025,583	152,134	-	-	104,974,308	1,947,168,867	2,012,127,409
c) Financial assets	157,702	150,310	-	240,187	-	67,825	-	-	-	-	-	-	157,502	67,825
Total	2,013,010,159	364,226,011	-	191,502,725	-	2,185,733,445	37,635,314	106,703,852	152,134	-	-	144,187,029	1,975,374,845	2,041,546,416

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Darius Dumitru Mesca

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