

Societatea Electrica Furnizare 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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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
A.	NON-CURRENT ASSETS			
	I. INTANGIBLE ASSETS			
	1. Set-up costs	01	-	-
	2. Development costs	02	-	-
	3. Concession rights, patents similar rights and, licenses, trademarks and other other intangible assets	03	8,001,566	12,232,575
	4. Goodwill	04	-	-
	5. Intangible operating advances	05		
	6. Advances	06		
	TOTAL (row 01 to 06)	07	8,001,566	12,232,575
	II. PROPERTY, PLANT AND EQUIPMENT			
	1. Land and buildings	08	59,582,792	63,303,778
	2. Technical equipment and machinery	09	5,482,482	7,301,186
	3. Other equipment, fixture and fittings	10	2,594,736	3,707,769
	4. Real estate investments	11		
	5. Tangible assets in progress	12	2,552,559	3,419,191
	6. Real estate investments in progress	13		
	7. Operating tangible assets and valuation of mineral resources	14		
	8. Productive biological assets	15		
	9. Assets	16		
	TOTAL (row 08 to 16)	17	70,212,569	77,731,924
	III. FINANCIAL ASSETS			
	1. Shares held in subsidiaries	18	-	-
	2. Loans to subsidiaries	19	-	-
	3. Shares held in associated entities and jointly controlled entities	20	-	-
	4. Loans to associated entities and jointly controlled entities	21	-	-
	5. Other long term investments	22	-	-
	6. Other loans	23	366,144	18,978
	TOTAL (row 18 to 23)	24	366,144	18,978
	NON CURRENT ASSETS – TOTAL (row 07+17+24)	25	78,580,279	89,983,477
B.	CURRENT ASSETS			
	I. INVENTORIES			
	1. Raw materials and consumables	26	48	35
	2. Work in progress	27	-	-
	3. Finished goods and goods for resale	28	-	-

Societatea Electrica Furnizare S.A.
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	29	-	959
TOTAL (row 26 to 29)	30	48	1,014
II. TRADE RECEIVABLES			
1. Trade receivables	31	645,080,363	678,953,661
2. Receivables from subsidiaries	32	5,271,123	4,692,199
3. Receivables from associates	33	-	-
4. Other receivables	34	9,936,734	383,825
5. Subscribed un-paid share capital	35	-	-
TOTAL (row 31to 35)	36	660,288,220	684,029,685
III. SHORT TERM INVESTMENTS			
1. Shares held in subsidiaries	37	-	-
2. Other short term investments	38	-	-
TOTAL (row 37 to 38)	39	-	-
IV. PETTY CASH AND BANK ACCOUNTS			
	40	403,483,774	337,908,915
CURRENT ASSETS – TOTAL (row 30 + 36 + 39 + 40)	41	1,063,772,042	1,021,939,614
C. PREPAYMENTS (row 43+44)	42	57,256,495	32,099,659
Amounts to be transferred to income over a period of up to one year	43	57,256,495	32,099,659
Amounts to be transferred to income over a period of more than one year	44	-	-
TOTAL ASSETS		1,199,608,816	1,144,022,750
D. LIABILITIES: AMOUNTS PAYABLE IN A PERIOD BELOW ONE YEAR			
1. Debenture loans, separate disclosure of convertible debenture loans	45	-	-
2. Bank loans	46	-	-
3. Advance payments received from customers	47	10,349	8,799
4. Trade payables	48	282,874,383	269,995,699
5. Trade notes payable	49	-	-
6. Amounts due to subsidiaries	50	349,599,590	331,542,645
7. Amounts due to associates	51	-	-
8. Other payables including payables to the state budget and social security payables	52	138,139,752	149,437,316
TOTAL (row 42 to 52)	53	770,624,074	750,984,459
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row – 41+43-53-70-73-76)	54	350,403,027	296,813,725
F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 25+44+54)	55	428,983,306	386,797,202

Societatea Electrica Furnizare S.A.
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 OVER ONE YEAR			
1. Debenture loans, separate disclosure of convertible debenture loans	56	-	-
2. Bank loans	57	-	-
3. Advance payments from customers	58	-	-
4. Trade payables	59	-	-
5. Trade notes payable	60	-	-
6. Amounts due to subsidiaries	61	-	-
7. Amounts due to associates	62	-	-
8. Other payables including payables to the state budget and social security payables	63	41,943,006	43,067,834
TOTAL (row 56 to 63)	64	41,943,006	43,067,834
H. PROVISIONS			
1. Provision for pensions and similar liabilities	65	31,227,892	25,952,030
2. Provisions for taxes	66	8,092,022	8,782,341
3. Other provisions	67	2,419,246	6,577,908
TOTAL (row 65 to 68)	68	41,739,160	41,312,279
		-	-
I. DEFERRED INCOME			
1. Investment subsidies (row 70+71)	69	-	6,392
Amounts to be transferred to income over a period of up to one year	70		6,392
Amounts to be transferred to income over a period of more than one year	71		
2. Deferred income – total (row 73 + 74), of which:	72	1,436	6,234,697
Amounts to be transferred to income in a period up to one year	73	1,436	6,234,697
Amounts to be transferred to income in a period above one year	74	-	-
3. Deffered income corresponding to assets received by transfer from clients	75	-	-
Amounts to be transferred to income in a period up to one year	76	-	-
Amounts to be transferred to income in a period above one year	77	-	-
Negative goodwill	78	-	-
TOTAL (row 69+72+75+78)	79	1,436	6,241,089
J. CAPITAL AND RESERVES			
I. CAPITAL			
1. Subscribed paid capital	80	62,109,560	62,109,560
2. Subscribed unpaid capital	81	-	-
3. Patrimony	82	-	-

Societatea Electrica Furnizare S.A.
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		
5. Other elements of equity		84		
TOTAL (row 80 to 84)		85	62,109,560	62,109,560
			-	-
II. SHARE PREMIUM		86	-	-
III. REVALUATION RESERVE		87	40,790,448	40,587,730
IV. RESERVES				
1. Legal reserves		88	12,421,912	12,421,912
2. Statutory or contractual reserves		89	-	-
3. Other reserves		90	24,336,536	55,046,664
TOTAL (row 88 to 90)		91	36,758,448	67,468,576
Own shares		92	-	-
Gains in respect of own shares instruments		93	-	-
Losses in respect of own shares instruments		94	-	-
			-	-
VI. PROFIT OR LOSS CARRIED FORWARD	C Balance	95	908,496	1,111,214
	D Balance	96	-	-
VI. PROFIT OR LOSS FOR THE YEAR	C Balance	97	204,734,188	131,140,009
	D Balance	98	-	-
Profit appropriation		99	-	-
EQUITY – TOTAL (row 85+86+87+91+92+93-94+95-96+97-98-99)		100	345,301,140	302,417,089
Public patrimony		101		
Public patrimony		102		
EQUITY – TOTAL (row 100+101+102) (row 25+41+42-53-64-68-79)		103	345,301,140	302,417,089
TOTAL LIABILITIES		104	1,199,608,816	1,144,022,750

Signatures

Societatea Electrica Furnizare S.A.
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	4,011,621,961	4,177,341,470
	Production sold	02	4,011,620,255	4,177,337,814
	Income from sale of goods for resale	03	1,706	3,656
	Trade discounts granted	04	-	-
	Interest Income recorded by the entities erased from the General Register, still having lease contracts in progress	05	-	-
	Income from subsidies related to income	06	-	-
			-	-
2.	Income related to the cost of production of work in progress			
	C Balance	07		
	D Balance	08		
3.	Income from the production of tangible and intangible assets	09	-	-
4.	Income from revaluation of tangible assets	10		
5.	Income from the production of real estate investments	11		
6.	Income from subsidies	12		
7.	Other operating income	13	38,838,534	24,419,595
	- out of which, income from negative goodwill	14	-	-
	- out of which, income from investment subsidies	15		
	OPERATING INCOME – TOTAL (row 01 + 07 - 08 + 09 + 10+11+12+13)	16	4,050,460,495	4,201,761,065
8.	a) Raw materials and consumables expenses	17	3,448,490	3,897,054
	Other material expenses	18	1,852,244,263	2,023,758,025
	b) Other external expenses (with energy and water)	19	856,500	2,050,645
	c) Goods for resale expenses	20	1,706	3,713
	Trade discounts received	21	-	-
9.	Personnel expenses (row 23 + 24), out of which:	22	83,345,839	83,033,504
	a) Salaries and wages	23	65,510,784	66,993,240
	b) Social security expenses	24	17,835,055	16,040,264
10.	a) Value adjustment to tangible and intangible assets (row 22 - 23)	25	6,787,024	7,436,549
	a.1) Expenses	26	6,806,967	7,436,549
	a.2) Income	27	19,943	-
	b) Value Adjustment to current assets (row 29 - 30)	28	(7,224,962)	(27,205,289)
	b.1) Expenses	29	88,220,766	33,161,319
	b.2) Income	30	95,445,728	60,366,608

Societatea Electrica Furnizare S.A.
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.	Other operating expenses (row 32 la 38)	31	1,876,897,214	1,966,138,266
	11.1. Third party services expenses	32	1,597,552,485	1,613,267,477
	11.2. Expenses with other taxes, duties and similar payments	33	5,421,351	4,781,256
	11.3. Expenses with environment protection	34	272,264,907	346,753,666
	11.4 Expenses with revaluation of tangible assets	35		
	11.5 Expenses related calamities and other similar events	36		
	11.6. Other expenses	37	1,658,471	1,335,867
	Refinancing interest expenses of the entities erased from the General Register, still having lease contracts in progress	38	-	-
	Adjustments for provisions (row 40 - 41)	39	10,359,543	(426,880)
	- Expenses	40	16,136,170	5,658,478
	- Income	41	5,776,627	6,085,358
	OPERATING EXPENSES – TOTAL (row 17 to 20-21+22+25+28+31+39)	42	3,826,715,617	4,058,685,587
	OPERATING PROFIT/LOSS:			
	- Profit (row 12 - 35)	43	223,744,878	143,075,478
	- Loss (row 35 - 12)	44	-	-
			-	-
12.	Income from financial investments	45	-	-
	- out of which, income from affiliates	46	-	-
13.	Interest income	47	4,874,806	3,863,738
	- out of which, income from affiliates	48	-	-
14.	Incomes from subsidiaries for interest due	49		
15.	Other financial income	50	33,391	31,493
	-out of which, incomes from other financial assets	51		
	FINANCIAL INCOME – TOTAL (row 45+47+49+50)	52	4,908,197	3,895,231
			-	-
16.	Value adjustments to financial assets and financial investments held as current assets (row 54 - 55)	53	-	-
	- Expenses	54	-	-
	- Income	55		
13.	Interest expense	56	48	-
	- out of which, expenses in relation with affiliates	57	-	-
	Other financial expenses	58		3,222
	FINANCIAL EXPENSES – TOTAL (row 53+56+58)	59	48	3,222
	FINANCIAL PROFIT/LOSS:			
	- Profit (row 45 - 52)	60	4,908,149	3,892,009

Societatea Electrica Furnizare S.A.
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
	- Loss (row 52 - 45)	61		
	TOTAL INCOME (row 16+52)	62	4,055,368,692	4,205,656,296
	TOTAL EXPENSES (row 42+59)	63	3,826,715,665	4,058,688,809
	GROSS PROFIT OR LOSS:			
	- Profit (row -62-63)	64	228,653,027	146,967,487
	- Loss (row -63-62)	65	-	-
18.	Income tax	66	23,918,839	15,827,478
19.	Other taxes not disclosed among the above items	67	-	-
20.	FINANCIAL YEAR NET PROFIT OR LOSS :			
	- Profit (row -64-65-66-67)	68	204,734,188	131,140,009
	- Loss (-65+66+6764)	69	-	-

Signatures

Societatea Electrica Furnizare S.A.
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		62,109,560	-	-	-	-	62,109,560
Revaluation reserves		40,790,448	-	-	202,718	202,718	40,587,730
Legal reserves		12,421,912	-	-	-	-	12,421,912
Other reserves		24,336,536	30,710,128	30,710,128	-	-	55,046,664
Profit / Loss carried forward	C Balance	908,496	202,718	202,718			1,111,214
	D Balance						
Profit / Loss for the year	C Balance	204,734,188	131,140,009	-	204,734,188	30,710,128	131,140,009
	D Balance						
Profit appropriation		-	-	-	-	-	-
Total Equity		345,301,140	162,052,855	30,912,846	204,936,906	30,912,846	302,417,089

Signatures

Societatea Electrica Furnizare S.A.
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		62,109,560	-	-	-	-	62,109,560
Revaluation reserves		36,593,273	5,421,844	-	1,224,669	133,809	40,790,448
Legal reserves		12,421,912					12,421,912
Other reserves		12,131,728	12,204,808	12,204,808	-	-	24,336,536
Profit / Loss carried forward	C Balance	774,687	133,809	133,809			908,496
	D Balance	-	-	-	-	-	-
Profit / Loss for the year	C Balance	101,466,554	204,734,188	-	101,466,554	101,466,554	204,734,188
	D Balance	-	-	-	-	-	-
Profit appropriation		-	-	-	-	-	-
Total Equity		225,497,714	222,494,649	12,338,617	102,691,223	12,338,617	345,301,140

Signatures

Indirect Method

Name of item	Financial year	
	2014	2015
A	1	2
Cash flows from operating activities		
Gross Profit (EBT)	228,653,027	146,967,487
<i>Adjustments for:</i>		
Depreciation and depreciation adjustments of intangible and tangible assets	6,787,024	7,436,549
Depreciation adjustments of net working assets	(7,224,962)	(27,205,289)
Income from change in provisions	10,359,543	(426,880)
Net financial result	(4,908,149)	(3,892,009)
Profit / (Loss) on sale or disposal of tangible assets	4,450	-
Operating profit before changes in working capital	233,670,933	122,879,858
Decrease / (Increase) in inventories	(16)	(966)
(Increase) / decrease in trade and other receivables and otherwise	163,856,792	(46,457,056)
(Decrease) / Increase in trade and other payables	56,279,475	64,874,898
Changes in working capital	220,136,251	18,416,876
Interest paid	(20,503)	(75,682)
Income tax paid	(8,557,831)	(18,176,152)
Cash generad from operating activities	445.228.850	(123,044,720)
Cash flows from investing activities		
Payments for acquisitions of tangible assets	(7,660,998)	(18,700,285)
Income from sale of tangible assets	4,541	-
Interest received	5,206,834	4,104,766
Net cash flow from investing activities	(2,449,623)	(14,595,519)

Cash flows from financing activities		
Proceeds from borrowings	-	
Repayment of borrowings	-	
Payment of finance lease debts	-	
Dividends paid	(89,261,747)	(174,024,060)
Net cash from financing activities	(89,261,747)	(174,024,060)
Net decrease / increase in cash and cash equivalents	353,517,480	(65,574,859)
Cash and cash equivalents at the beginning of the financial year	49,966,295	403,483,774
Cash and cash equivalents at the end of the financial year	403,483,774	337,908,915