

S. SERVICII ENERGETICE OLTENIA S.A. IN JUDICIAL REORGANIZATION  
SPECIAL ADMINISTRATOR REPORT  
DRAWN UP FOR THE FINANCIAL EXERCISE ENDED ON DECEMBER 31,2015  
(All amounts in RON, unless otherwise specified)

		Row No.	Balance at:	
			1 January 2015	31 December 2015
Description			1	2
A		B		
<b>A.</b>	<b>NON-CURRENT ASSETS</b>			
	<b>I. INTANGIBLE ASSETS</b>			
	1. Set-up costs	01	990	566
	2. Development costs	02		
	3. Concession rights, patents, licenses, trademarks and other similar rights and other intangible assets	03	42,271	21,136
	4. Goodwill	04		
	5. Intangible assets for exploration and evaluation of mineral resources	05		
	6. Advances and intangible assets in progress	06		
	<b>TOTAL (row 01 to 06)</b>	<b>07</b>	<b>43,261</b>	<b>21,702</b>
	<b>II. PROPERTY, PLANT AND EQUIPMENT</b>			
	1. Land and buildings	08	61,704,799	58,959,120
	2. Technical equipment and machinery	09	1,473,770	869,486
	3. Other equipment, fixture and fittings	10	13,882	9,352
	4. Real estate investments	11		
	5. Tangible in progress	12		
	6. Investment property under construction	13		
	7. Tangible for exploration and evaluation of mineral resources	14		
	8. Bearer biological assets	15		
	9. Advances	16		
	<b>TOTAL (row 08 to 16)</b>	<b>17</b>	<b>63,192,451</b>	<b>59,837,958</b>
	<b>III. FINANCIAL ASSETS</b>			
	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		
	<b>TOTAL (row 18 to 23)</b>	<b>24</b>		
	<b>NON CURRENT ASSETS – TOTAL (rd 07+17+24)</b>	<b>25</b>	<b>63,235,712</b>	<b>59,859,660</b>
<b>B.</b>	<b>CURRENT ASSETS</b>			
	<b>I. INVENTORIES</b>			
	1. Raw materials and consumables	26	3,180,664	2,903,602
	2. Work in progress *	27		38,839
	3. Finished goods and goods for resale *	28	273	273

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Description		Row No.	Balance at:	
			1 January 2015	31 December 2015
A		B	1	2
	4. Advances	29	63,018	79,731
	<b>TOTAL (row 26 to 29)</b>	<b>30</b>	<b>3,243,955</b>	<b>3,022,445</b>
<b>II. TRADE RECEIVABLES</b>				
	1. Trade receivables <sup>1),*</sup>	31	3,850,492	6,972,573
	2. Receivables from subsidiaries *,**	32		
	3. Receivables from associates	33		
	4. Other receivables **	34	463,727	224,000
	5. Subscribed un-paid share capital *	35		
	<b>TOTAL (row 31 to 35)</b>	<b>36</b>	<b>4,314,219</b>	<b>7,196,573</b>
<b>III. SHORT TERM INVESTMENTS</b>				
	1. Shares held in subsidiaries	37		
	2. Other short term investments	38		
	<b>TOTAL (row 37 to 38)</b>	<b>39</b>		
<b>IV. PETTY CASH AND BANK ACCOUNTS</b>				
	<b>TOTAL (row 30 + 36 + 39 + 40)</b>	<b>41</b>	<b>1,667,082</b>	<b>972,646</b>
<b>C. PREPAYMENTS (row 43 + 44)</b>				
	Amounts taken over a period of up to one year	43	25,382	34,499
	Amounts taken over a period exceeding one year	44		
<b>D. LIABILITIES: AMOUNTS PAYABLE IN A PERIOD BELOW ONE YEAR</b>				
	1. Debenture loans, separate disclosure of convertible debenture loans	45		
	2. Bank loans	46		
	3. Advance payments received from customers	47		256,726
	4. Trade payables	48	2,742,344	384,290
	5. Trade notes payable	49		
	6. Amounts due to subsidiaries ***	50		
	7. Amounts due to associates ***	51		
	8. Other payables including payables to the state budget and social security payables ***	52	36,473,235	9,415,831
	<b>TOTAL (row 45 to 52)</b>	<b>53</b>	<b>39,215,579</b>	<b>10,056,847</b>
<b>E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 41+43-53-70-73-76)</b>				
		<b>54</b>	<b>(29,964,941)</b>	<b>1,169,316</b>
<b>F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 25+44+54)</b>				
		<b>55</b>	<b>33,270,771</b>	<b>61,028,976</b>

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A	B	1	2
<b>G. LIABILITIES: AMOUNTS PAYABLE IN A PERIOD ABOVE ONE YEAR</b>			
1. Debenture loans, separate disclosure of convertible debenture loans	56		
2. Bank loans	57		
3. Advance payments from customers	58		
4. Trade payables	59		2,188,015
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	1,919,349	35,255,224
<b>TOTAL (row 56 to 63)</b>	<b>64</b>	<b>1,919,349</b>	<b>37,443,239</b>
<b>H. PROVISIONS</b>			
1. Provisions for employee benefits	65		
2. Provisions for taxes	66		
3. Other provisions	67	715,754	1,329,110
<b>TOTAL (row 65 to 67)</b>	<b>68</b>	<b>715,754</b>	<b>1,329,110</b>
<b>I. DEFERRED INCOME</b>			
1. Investment subsidies ( row 70 to 71)	69	5,453	4,133
Amounts taken over a period of up to one year	70		
Amounts taken over a period exceeding one year	71	5,453	4,133
2. Deferred income – total (row 73 + 74)	72		
Amounts to be transferred to income in a period below one year *	73		
Amounts to be transferred to income in a period above one year *	74		
3. Deferred income corresponding to assets received by transfer from clients( row 76 to 77 )	75		
Amounts taken over a period of up to one year	76		
Amounts taken over a period exceeding one year	77		
Negative goodwill	78		
<b>TOTAL (row 69 + 72 + 75 +78 )</b>	<b>79</b>	<b>5,453</b>	<b>4,133</b>
<b>J. CAPITAL AND RESERVES</b>			
<b>I. CAPITAL</b>			
1. Subscribed paid in capital	80	70,241,800	70,241,800
2. Subscribed unpaid capital	81		
3. Patrimony	82		
4. Patrimony of research institutes	83		

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Description		Row No.	Balance at:	
			1 January 2015	31 December 2015
A		B	1	2
5. Other elements of own equity		84		
<b>TOTAL (row 80 to 84)</b>		<b>85</b>	<b>70,241,800</b>	<b>70,241,800</b>
<b>II. SHARE PREMIUM</b>		<b>86</b>		
<b>III. REVALUATION RESERVE</b>		<b>87</b>	<b>72,882,835</b>	<b>72,063,673</b>
<b>IV. RESERVES</b>				
1. Legal reserves		88		
2. Statutory or contractual reserves		89		
3. Other reserves		90	405,927	405,927
<b>TOTAL (row 88 to 90)</b>		<b>91</b>	<b>405,927</b>	<b>405,927</b>
Treasury shares		92		
Gains in respect of own shares instruments		93		
Losses in respect of own shares instruments		94		
<b>V. PROFIT OR LOSS CARRIED FORWARD</b>				
		<b>C BALANCE</b>		
		<b>95</b>		
		<b>D BALANCE</b>	<b>100,624,866</b>	<b>113,711,270</b>
<b>VI. PROFIT OR LOSS FOR THE YEAR</b>				
		<b>C BALANCE</b>		
		<b>97</b>		
		<b>D BALANCE</b>	<b>12,275,481</b>	<b>6,747,636</b>
Profit appropriation		99		
<b>EQUITY – TOTAL (row 85+86+87+91-92+93-94+95-96+97-98-99)</b>		<b>100</b>	<b>30,630,215</b>	<b>22,252,494</b>
Public patrimony		101		
Private patrimony		102		
<b>EQUITY – TOTAL (row 100+101+102) (row 25+41+42-53-64-68-79)</b>		<b>103</b>	<b>30,630,215</b>	<b>22,252,494</b>

\*) Accounts to be allocated by the nature of the respective elements.

\*\*) Debit balance of the respective accounts.

\*\*\*) Credit balance of the respective accounts.

- 1) The amounts on this row (row 31), taken from the accounts 2675 and 2679, represent trade receivables regarding the finance lease agreements and other related agreements, as well as other receivables due within less than 12 months.

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**Special  
 Administrator,**  
 Cornel Bobalca

**Legal  
 Administrator,**  
 Musat&Asociatii

**Prepared by,**  
 Daniel Mircea Badoi  
 Economic Manager

Item description		Row no.	Financial year	
			2014	2015
A		B	1	2
1.	<b>Turnover (row 02 +03-04+ 05+06)</b>	<b>01</b>	<b>14,301,943</b>	<b>13,621,210</b>
	Production sold	02	14,213,314	13,572,521
	Income from sale of goods for resale	03	88,629	48,689
	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		38,839
		D Balance	112,283	
3.	Income from the production of tangible and intangible assets	09		

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Item description		Row no.	Financial year	
			2014	2015
A		B	1	2
4.	Income from revaluation of tangible assets	10		
5.	Income from real estate investment production	11		
6.	Income from subsidies	12		
7.	Other operating income	13	709,268	731,340
	out of which, income from negative goodwill	14		
	out of which, income from investment subsidies	15	2,735	1,320
	<b>OPERATING INCOME – TOTAL (row 01 + 07 - 08 + 09 + 10 +11+12+13 )</b>	<b>16</b>	<b>14,898,928</b>	<b>14,391,389</b>
8.	a) Raw materials and consumables expenses	17	3,802,199	3,436,279
	Other material expenses	18	25,354	42,079
	b) Other external expenses (with energy and water)	19	665,183	484,062
	c) Goods for resale expenses	20	73,853	39,532
	Trade discounts received	21		
9.	Personnel expenses (row 23 + 24), out of which:	22	15,170,977	10,537,488
	a) Salaries and wages <sup>1)</sup>	23	12,204,729	8,558,837
	b) Social security expenses	24	2,966,248	1,978,651
10.	a) Value adjustment to tangible and intangible assets (row 26 - 27)	25	3,063,086	3,326,612
	a.1) Expenses	26	3,305,415	3,346,283
	a.2) Income	27	242,329	19,671
	b) Value Adjustment to current assets (row 29 - 30)	28	(170,776)	(506,146)
	b.1) Expenses	29	1,381,741	1,592,545
	b.2) Income	30	1,552,517	2,098,691
11.	Other operating expenses (row 32 la 38)	31	3,831,468	2,451,482
	11.1. Third party services expenses	32	1,418,349	1,041,611
	11.2. Expenses with other taxes, duties and similar payments; expenses representing transfers and contributions resulting from special normative acts	33	1,093,869	883,377
	11.3. Environmental protection costs	34	12	13
	11.4. Expenses from revaluation of tangible assets	35		
	11.5. Expenses related calamities and other similar events	36		
	11.6. Other expenses	37	1,319,238	526,481
	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	715,754	1,329,110
	- Expenses	40	715,754	1,329,110
	- Income	41		

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Item description		Row no.	Financial year	
			2014	2015
A		B	1	2
	<b>OPERATING EXPENSES – TOTAL</b> (row 17 to 20-21+22+25+28+31+39)	<b>42</b>	<b>27,177,098</b>	<b>21,140,498</b>
	<b>OPERATING PROFIT/LOSS:</b>			
	- Profit (row 16 - 42)	<b>43</b>	<b>0</b>	<b>0</b>
	- Loss (row 42 - 16)	<b>44</b>	<b>12,278,170</b>	<b>6,749,109</b>
12.	Income from participating interests	45		
	- out of which, income from affiliates	46		
13.	Interest income *	47	2,689	1,473
	- out of which, income from affiliates	48		
14.	Income from subsidies for interest due	49		
15.	Other financial income	50		
	- out of which, income from other financial assets	51		
	<b>FINANCIAL INCOME – TOTAL</b> (row 45+47+49+50)	<b>52</b>	<b>2,689</b>	<b>1,473</b>
16.	Value adjustments to financial assets and financial investments held as current assets (row 54 - 55)	53		
	- Expenses	54		
	- Income	55		
17.	Interest expense *	56		
	- out of which, expenses in relation with affiliates	57		
	Other financial expenses	58		
	<b>FINANCIAL EXPENSES – TOTAL (row 53+56+58)</b>	<b>59</b>		
	<b>FINANCIAL PROFIT/LOSS:</b>			
	- Profit (row 52 - 59)	<b>60</b>	<b>2,689</b>	<b>1,473</b>
	- Loss (row 59 - 52)	<b>61</b>	<b>0</b>	<b>0</b>
	<b>TOTAL INCOME (row 16+52)</b>	<b>62</b>	<b>14,901,617</b>	<b>14,392,862</b>
	<b>TOTAL EXPENSES (row 42+59)</b>	<b>63</b>	<b>27,177,098</b>	<b>21,140,498</b>
18.	<b>GROSS PROFIT OR LOSS:</b>			
	- Profit (row 62 - 63)	<b>64</b>	<b>0</b>	<b>0</b>
	- Loss (row 63 - 62)	<b>65</b>	<b>12,275,481</b>	<b>6,747,636</b>
19.	<b>Income tax</b>	<b>66</b>		
20.	Other taxes not disclosed among the above items	67		

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	Item description	Row no.	Financial year	
			2014	2015
	A	B	1	2
<b>21.</b>	<b>FINANCIAL YEAR NET PROFIT OR LOSS :</b>			
	- Profit (row 64 - 65 – 66-67)	68	0	0
	- Loss (row 65 + 66 + 67-64)	69	12,275,481	6,747,636

**Special  
Administrator,**  
BOBALCA  
CORNEL

**Legal  
Administrator,**  
MUSAT&ASOCIATII

**Prepared by,**  
DANIEL MIRCEA BADOI  
Economic Manager

**S. SERVICII ENERGETICE OLTENIA S.A.**

**STATEMENT OF CHANGES IN EQUITY**

**for the year ended 31.12.2015**

*(All amounts in RON, unless otherwise specified)*

Equity Item Description	Balance at 31.12.2014	Increases		Decreases		Balance at 31.12.2015
		Total, of which	Through transfer	Total, of which	Through transfer	
0	1	2	3	4	5	6
Subscribed capital	70,241,800					70,241,800
Share premium	0					0



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Equity Item Description	Balance at 31.12.2014	Increases		Decreases		Balance at 31.12.2015
		Total, of which	Through transfer	Total, of which	Through transfer	
Revaluation reserves	72,882,834	393	393	819,555	393	72,063,677
Legal reserves	0					0
Reserves from the capitalization of securities acquired free of charge	0					0
Reserves representing the realized revaluation reserve surplus	5,859,204	819,162				6,678,366
Other reserves	405,927					405,927
Own shares (D balance)	0					0
Profit / (Loss) carried forward	(106,489,810)	(12,278,170)		(2,689)		(118,765,291)
Retained earnings resulting from the first time application of IAS	0					0
Retained earnings resulting from the correction of accounting errors	5,742	429,408		2,059,494		(1,624,344)
Retained earnings resulting from the application of the accounting regulations according to the fourth Directive of the European Economic Communications	0					0
Profit / (Loss) for the year	(12,275,482)	(10,980,687)		(16,508,534)		(6,747,635)

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Equity Item Description	Balance at 31.12.2014	Increases		Decreases		Balance at 31.12.2015
		Total, of which	Through transfer	Total, of which	Through transfer	
Profit appropriation	0	0	0	0	0	0
<b>Total equity and reserves</b>	<b>30,630,215</b>	<b>(22,009,894)</b>	<b>393</b>	<b>(13,632,174)</b>	<b>393</b>	<b>22,252,49</b>

**Special Administrator  
Manager**

**Bobalca Cornel  
Daniel Badoi**

**Economic**

**Ec. Mircea**

**S.C. SERVICII ENERGETICE OLTENIA S.A.**

**STATEMENT OF CASH FLOWS**

**for the year ended 31.12.2015**

*(All amounts in RON, unless otherwise specified)*

	<b><u>2014</u></b>	<b><u>2015</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Gross Profit before income taxes</b>	(12,275,481)	(6,747,636)
<b>Adjustments for non-cash elements</b>		
Amortization & depreciation of tangible and intangible assets	3,063,085	3,326,611
(Profit)/loss on sale or disposal of tangible and intangible assets	56,361	(20,767)
Adjustments for depreciation of current assets, net	(170,776)	209,608
Provisions, net	715,754	827,533
Interest expenses/(income), net	(2,689)	(1,472)
Income / (expenses) from foreign exchange differences	0	0
	<b>(8,613,746)</b>	<b>(2,406,121)</b>
<b>Changes in net working capital</b>		
Inventories variation	(375,315)	(123,964)
Variation in trade and other receivables and otherwise	(1,530,196)	2,601,223
Variation in trade and other payables	7,400,830	4,177,143
Other assets variation	(21,708)	9,117

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Other liabilities variation	(2,735)	(1,320)
	<b>9,325,314</b>	<b>1,689,447</b>
Paid interest	0	0
Paid income tax	0	0
<b>Cash generated from operating activities</b>	<b>711,568</b>	<b>(716,674)</b>
<b>Cash flows from investments activities</b>		
Payments for acquisitions of non-current assets	22,850	0
Proceeds from sale of non-current assets	(56,361)	20,767
Interest received	0	0
<b>Cash flows from investments activities</b>	<b>(33,511)</b>	<b>20,767</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	2,689	1,472
Payments of finance lease debts	0	0
<b>Cash flows from financing activities</b>	<b>2,689</b>	<b>1,472</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>680,746</b>	<b>(694,436)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>986,336</b>	<b>1,667,082</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,667,082</b>	<b>972,646</b>

**Special Administrator**

**Bobalca Cornel  
Badoi**

**Economic Manager (CFO)**

**Ec. Mircea Daniel**