

# **SOCIETATEA ENERGETICA ELECTRICA S.A.**

**Separate preliminary unaudited results**

**31 December 2016**

*(free translation)*

**SOCIETATEA ENERGETICA ELECTRICA SA**  
**SEPARATE PRELIMINARY STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2016  
*(All amounts are in RON)*

	<b>Preliminary 31 December 2016 (unaudited)</b>	<b>31 December 2015 (audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	275,008,415	293,375,460
Intangible assets	1,836,710	1,498,663
Investments in subsidiaries	1,430,819,457	1,430,819,457
Restricted cash	134,491,752	-
Deferred tax assets	-	7,249,634
<b>Total non-current assets</b>	<b>1,842,156,334</b>	<b>1,732,943,214</b>
<b>Current assets</b>		
Cash and cash equivalents	197,644,018	283,366,031
Deposits, treasury bills, government bonds	1,867,115,360	1,900,395,387
Trade receivables	64,074,773	77,531,461
Other receivables	12,597,869	13,056,225
Inventories	161,205	116,597
Prepayments	48,926	56,033
Income tax receivable	2,359,595	23,134,100
<b>Total current assets</b>	<b>2,144,001,746</b>	<b>2,297,655,834</b>
<b>Total assets</b>	<b>3,986,158,080</b>	<b>4,030,599,048</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital out of which:	3,459,399,290	3,459,399,290
<i>Subscribed and paid in share capital</i>	3,459,399,290	3,459,399,290
<i>Inflation adjustment to share capital</i>	-	-
Share premium	103,049,177	103,049,177
Treasury shares	(75,372,435)	(75,372,435)
Contributions in advance from shareholders in kind	5,144,025	2,861,525
Revaluation reserve	709,974	769,261
Legal reserves	155,253,514	142,932,218
Retained earnings	227,698,042	292,266,081
<b>Total equity</b>	<b>3,875,881,587</b>	<b>3,925,905,117</b>

**SOCIETATEA ENERGETICA ELECTRICA SA**  
**SEPARATE PRELIMINARY STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2016  
*(All amounts are in RON)*

	<b>Preliminary 31</b>	
	<b>December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Employee benefits	1,580,589	1,795,588
<b>Total non-current liabilities</b>	<b>1,580,589</b>	<b>1,795,588</b>
<b>Current liabilities</b>		
Trade payables	67,591,033	60,633,718
Other payables	11,716,925	7,632,190
Deferred revenue	540,944	497,084
Employee benefits	3,037,967	2,884,701
Provisions	25,809,035	31,250,650
<b>Total current liabilities</b>	<b>108,695,904</b>	<b>102,898,343</b>
<b>Total liabilities</b>	<b>110,276,493</b>	<b>104,693,931</b>
<b>Total equity and liabilities</b>	<b>3,986,158,080</b>	<b>4,030,599,048</b>

**SOCIETATEA ENERGETICA ELECTRICA SA**  
**SEPARATE PRELIMINARY INCOME STATEMENT**  
 FOR THE YEAR ENDED 31 DECEMBER 2016  
*(All amounts are in RON)*

	<b>Preliminary 2016 (unaudited)</b>	<b>2015 (audited)</b>
Revenues	362,388,192	383,708,120
Other income	1,709,527	1,533,233
Electricity purchased	(347,592,754)	(368,683,747)
Employee benefits	(20,503,839)	(16,636,893)
Depreciation and amortization	(23,506,827)	(20,241,737)
(Impairment)/ Release of impairment of trade and other receivables, net	(38,391,976)	2,832,061
Other operating expenses	(81,061,941)	(23,289,218)
Change in provisions, net	5,478,282	(31,250,650)
<b>Operating loss</b>	<b>(141,481,336)</b>	<b>(72,028,831)</b>
Finance income	389,682,646	373,026,201
Finance costs	(1,775,390)	(289,466)
<b>Net finance cost</b>	<b>387,907,256</b>	<b>372,736,735</b>
<b>Profit before tax</b>	<b>246,425,920</b>	<b>300,707,904</b>
Income tax – (expense)/ benefit	(7,233,617)	156,580
<b>Profit for the year</b>	<b>239,192,303</b>	<b>300,864,484</b>

**Note:**

The result of 2016, compared with 2015, was influenced by the recording of expenses related to the previous years (2008-2010) amounting to 52.3 million RON and of provisions for doubtful debts, amounting to RON 41 million resulted from the 2016 current activity, for which management estimates a low recoverability.