

ELECTRICA S.A.

Condensed Consolidated Interim Financial Information

30 September 2015

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ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	30 September 2015 (unaudited and not reviewed)	31 December 2014 restated*
ASSETS			
Non-current assets			
Intangible assets related to concession arrangements		3,550,527	3,501,184
Other intangible assets		8,345	8,812
Property, plant and equipment		766,497	804,823
Deferred tax assets		61,959	59,625
Other non-current assets		5,130	7,970
Total non-current assets		4,392,458	4,382,414
Current assets			
Cash and cash equivalents	12	943,312	1,629,508
Deposits, treasury bills and government bonds	13	1,910,720	1,220,521
Trade receivables	14	799,974	780,821
Other receivables		19,354	24,611
Inventories		20,650	24,305
Prepayments		9,199	8,644
Green certificates		67,949	53,708
Income tax receivable		23,134	23,135
Total current assets		3,794,292	3,765,253
Total assets		8,186,750	8,147,667
EQUITY AND LIABILITIES			
Equity			
Share capital		3,814,242	3,814,242
Share premium		103,049	103,049
Treasury shares reserve		(75,372)	(75,372)
Pre-paid capital contributions in kind from shareholders		2,862	3,273
Revaluation reserve		144,975	156,018
Other reserves		236,597	236,597
Retained earnings		1,339,639	1,246,635
Total equity attributable to the owners of the Company		5,565,992	5,484,442
Non-controlling interests		808,590	804,266
Total equity		6,374,582	6,288,708

*See Note 4

(Continued on page 2)

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	30 September 2015 (unaudited and not reviewed)	31 December 2014 restated*
Liabilities			
Non-current liabilities			
Financing for network construction related to concession agreements		121,018	151,486
Long term bank loans	17	1,800	-
Deferred tax liabilities		188,294	183,753
Employee benefits		220,382	220,382
Other payables	15	43,152	53,181
Total non-current liabilities		574,646	608,802
Current liabilities			
Financing for network construction related to concession agreements		89,310	99,064
Current portion of long term bank loans	17	10,800	-
Short term bank borrowings	17	49,177	-
Bank overdrafts		67,012	48,132
Finance lease		-	294
Trade payables		529,703	555,256
Other payables	15	239,216	310,806
Deferred revenue		11,785	2,987
Employee benefits		110,553	146,714
Provisions	16	106,513	72,634
Current income tax liability		23,453	14,270
Total current liabilities		1,237,522	1,250,157
Total liabilities		1,812,168	1,858,959
Total equity and liabilities		8,186,750	8,147,667

*See Note 4

The accompanying notes are an integral part of this condensed consolidated interim financial information.

General Director
Ioan Rosca

Finance Manager
Iuliana Andronache

13 November 2015

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
(All amounts are in THOUSAND RON, except per share data)

	Note	Nine month period ended	
		30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Revenues	7	3,964,846	3,657,167
Other income	8	167,695	92,287
Electricity purchased		(1,991,981)	(1,665,660)
Green certificates		(245,399)	(219,584)
Construction costs related to concession agreements		(276,399)	(251,433)
Employee benefits		(472,539)	(555,104)
Repairs, maintenance and materials		(50,732)	(70,614)
Depreciation and amortization		(265,959)	(254,601)
(Impairment)/Reversal of impairment of property, plant and equipment, net		(1,577)	385
Reversal of impairment of trade and other receivables, net		5,478	4,768
Other operating expenses		(302,501)	(311,607)
Change in provisions, net	16	(33,879)	(18,333)
Operating profit		497,053	407,671
Finance income		32,336	29,929
Finance costs		(8,286)	(12,910)
Net finance income		24,050	17,019
Profit before tax		521,103	424,690
Income tax expense	11	(92,918)	(88,290)
Profit for the period		428,185	336,400
Profit for the period attributable to:			
- owners of the Company		326,653	237,275
- non-controlling interests		101,532	99,125
Profit for the period		428,185	336,400
Earnings per share			
Basic and diluted earnings per share (RON)	9	0.96	0.92

*See Note 4

The accompanying notes are an integral part of this condensed consolidated interim financial information.

General Director
Ioan Rosca

Finance Manager
Iuliana Andronache

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
(All amounts are in THOUSAND RON, except per share data)

	Three month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Note		
Revenues	1,369,844	1,243,007
Other income	37,522	18,347
Electricity purchased	(702,526)	(531,297)
Green certificates	(77,671)	(69,785)
Construction costs related to concession agreements	(101,051)	(106,285)
Employee benefits	(156,375)	(185,256)
Repairs, maintenance and materials	(10,905)	(20,036)
Depreciation and amortization	(91,209)	(83,908)
Reversal of impairment of property, plant and equipment, net	177	14
(Impairment)/Reversal of impairment of trade and other receivables, net	1,824	(3,883)
Other operating expenses	(90,226)	(109,375)
Change in provisions, net	1,067	(22,716)
Operating profit	180,471	128,827
Finance income	11,480	16,065
Finance costs	(3,614)	(1,312)
Net finance income	7,866	14,753
Profit before tax	188,337	143,580
Income tax expense	(37,237)	(20,657)
Profit for the period	151,100	122,923
Profit for the period attributable to:		
- owners of the Company	116,184	93,205
- non-controlling interests	34,916	29,718
Profit for the period	151,100	122,923
Earnings per share		
Basic and diluted earnings per share (RON)	9	0.34
		0.27

*See Note 4

The accompanying notes are an integral part of this condensed consolidated interim financial information.

General Director
Ioan Rosca

Finance Manager
Iuliana Andronache

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
 (All amounts are in THOUSAND RON, if not otherwise stated)

	Nine month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Profit for the period	428,185	336,400
Other comprehensive income	-	-
Total comprehensive income	428,185	336,400
Total comprehensive income attributable to:		
- owners of the Company	326,653	237,275
- non-controlling interests	101,532	99,125
Total comprehensive income	428,185	336,400

*See Note 4

The accompanying notes are an integral part of this condensed consolidated interim financial information.

General Director
Ioan Rosca

Finance Manager
Iuliana Andronache

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
 (All amounts are in THOUSAND RON, if not otherwise stated)

	Three month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Profit for the period	151,100	122,923
Other comprehensive income	-	-
Total comprehensive income	151,100	122,923
Total comprehensive income attributable to:		
- owners of the Company	116,184	93,205
- non-controlling interests	34,916	29,718
Total comprehensive income	151,100	122,923

*See Note 4

The accompanying notes are an integral part of this condensed consolidated interim financial information.

General Director

Ioan Rosca

Finance Manager

Iuliana Andronache

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
 (All amounts are in THOUSAND RON, if not otherwise stated)

Note	Attributable to the owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares reserve	Pre-paid capital contributions in kind from shareholders	Revaluation reserve	Other reserves	Retained earnings			
Balance at 1 January 2015, as previously reported	3,814,242	103,049	(75,372)	3,273	156,018	236,597	1,268,811	5,506,618	810,520	6,317,138
Impact of change in accounting policy	-	-	-	-	-	-	(22,176)	(22,176)	(6,254)	(28,430)
Balance at 1 January 2015 restated	3,814,242	103,049	(75,372)	3,273	156,018	236,597	1,246,635	5,484,442	804,266	6,288,708
Comprehensive income										
Profit for the period (unaudited and not reviewed)	-	-	-	-	-	-	326,653	326,653	101,532	428,185
Total comprehensive income	-	-	-	-	-	-	326,653	326,653	101,532	428,185
Transactions with owners of the Company (unaudited and not reviewed)										
Contributions and distributions										
Land for which ownership rights were obtained	-	-	-	(411)	-	-	-	(411)	-	(411)
Dividends to the owners of the Company	-	-	-	-	-	-	(244,692)	(244,692)	-	(244,692)
Total transactions with the owners of the Company (unaudited and not reviewed)	-	-	-	(411)	-	-	(244,692)	(245,103)	-	(245,103)
Other changes in equity (unaudited and not reviewed)										
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(97,208)	(97,208)
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment	-	-	-	-	(9,600)	-	9,600	-	-	-
Loss of control over subsidiaries in financial distress	-	-	-	-	(1,443)	-	1,443	-	-	-
Balance at 30 September 2015 (unaudited and not reviewed)	3,814,242	103,049	(75,372)	2,862	144,975	236,597	1,339,639	5,565,992	808,590	6,374,582

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ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
(All amounts are in THOUSAND RON, if not otherwise stated)

Note	Attributable to the owners of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares reserve	Pre-paid capital contributions in kind from shareholders	Revaluation reserve	Other reserves	Retained earnings	Total			
Balance at 1 January 2014, as previously reported	2,509,413	-	-	47,657	572,825	614,906	1,936,547	5,681,348	764,270	6,445,618	
Impact of change in accounting policy	-	-	-	-	-	-	(31,145)	(31,145)	(8,785)	(39,930)	
Balance at 1 January 2014 restated	2,509,413	-	-	47,657	572,825	614,906	1,905,402	5,650,203	755,485	6,405,688	
Comprehensive income											
Profit for the period restated (unaudited and not reviewed)	-	-	-	-	-	-	237,275	237,275	99,125	336,400	
Total comprehensive income	-	-	-	-	-	-	237,275	237,275	99,125	336,400	
Transactions with owners of the Company (unaudited and not reviewed)											
Contributions and distributions											
Underwritings from IPO	1,771,887	107,798	-	-	-	-	-	1,879,685	-	1,879,685	
Treasury shares acquired	-	-	(75,372)	-	-	-	-	(75,372)	-	(75,372)	
Issue of ordinary shares in respect of land contributed by the shareholders	40,371	-	-	(43,840)	-	-	-	(3,469)	-	(3,469)	
Dividends to the owners of the Company	-	-	-	-	-	-	(22,475)	(22,475)	-	(22,475)	
Spin-off effect	(507,429)	-	-	-	(388,018)	(408,195)	(928,834)	(2,232,476)	-	(2,232,476)	
Total transactions with owners of the Company (unaudited and not reviewed)	1,304,829	107,798	(75,372)	(43,840)	(388,018)	(408,195)	(951,309)	(454,107)	-	(454,107)	
Other changes in equity (unaudited and not reviewed)											
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(67,250)	(67,250)	
Transfer of revaluation reserve to retained earnings due to depreciation and disposals of property, plant and equipment restated	-	-	-	-	(12,048)	-	12,048	-	-	-	
Balance at 30 September 2014 restated (unaudited and not reviewed)	3,814,242	107,798	(75,372)	3,817	172,759	206,711	1,203,416	5,433,371	787,360	6,220,731	

The accompanying notes are an integral part of this condensed consolidated interim financial information.

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
(All amounts are in THOUSAND RON, if not otherwise stated)

	Note	Nine month period ended	
		30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Cash flows from operating activities			
Profit for the period		428,185	336,400
Adjustments for:			
Depreciation		32,027	30,638
Amortisation		233,932	223,963
Impairment loss/(Reversal of impairment) of property, plant and equipment, net		1,577	(385)
Loss/(Gain) on disposal of property, plant and equipment		2,348	(837)
Reversal of impairment of trade and other receivables, net		(5,478)	(4,768)
Change in provisions, net	16	33,879	18,333
Net finance income		(24,050)	(17,019)
Gain on loss of control over subsidiaries in financial distress	19	(38,501)	-
Income tax expense	11	92,918	88,290
		756,837	674,615
Changes in :			
Trade receivables		(66,726)	292,028
Other receivables		(1,295)	(78,996)
Deposits, treasury bills and government bonds		(7,303)	-
Prepayments		(555)	(4,608)
Green certificates		(14,241)	-
Inventories		3,655	6,568
Trade payables		43,451	(99,977)
Other payables		(77,105)	(83,919)
Employee benefits		(13,947)	19,691
Deferred revenue		8,798	7,195
		631,569	732,597
Cash generated from operating activities			
Interest paid		(6,804)	(8,768)
Income tax paid		(62,726)	(45,369)
		562,039	678,460

*See Note 4

(Continued on page 10)

ELECTRICA SA
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
(All amounts are in THOUSAND RON, if not otherwise stated)

	Nine month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(25,804)	(32,479)
Payments for network construction related to concession agreements	(230,793)	(193,588)
Payments for purchase of other intangible assets	(1,851)	(2,556)
Proceeds from sale of property, plant and equipment	12,116	419
Proceeds from sale of investments	-	140,920
Purchase of treasury bills and government bonds	(2,777,537)	(362,294)
Proceeds from maturity of treasury bills and government bonds	1,843,576	-
Increase in deposits with maturity of 3 months or longer	(166,225)	-
Proceeds from deposits with maturity of 3 months or longer	417,290	-
Effect of loss of control over subsidiaries on cash	(2,863)	-
Interest received	34,161	20,790
Net cash used in investing activities	(897,930)	(428,788)
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction cost	-	1,879,685
Repurchase of treasury shares	-	(75,372)
Proceeds from long term bank loans	18,000	-
Proceeds from short term bank borrowings	50,477	-
Repayment of long term bank loans	(5,400)	-
Repayment of short term bank borrowings	(1,300)	-
Repayment of financing for network construction related to concession agreements	(88,454)	(115,323)
Payment of finance lease liabilities	(294)	(1,376)
Dividends paid	(340,856)	(89,725)
Net cash from/(used in) financing activities	(367,827)	1,597,889
Net (decrease)/increase in cash and cash equivalents	(703,718)	1,847,561
Cash and cash equivalents at 1 January	1,581,376	571,151
Effect of movements in exchange rates on cash held	(1,358)	(4,541)
Cash and cash equivalents at 30 September	876,300	2,414,171

*See Note 4

The accompanying notes are an integral part of this condensed consolidated interim financial information.

General Director
Ioan Rosca

Finance Manager
Iuliana Andronache

ELECTRICA SA

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

1 Reporting entity and general information

This financial information is the condensed consolidated interim financial information of Electrica S.A. ("the Company") and its subsidiaries (together "the Group") as at and for the nine month period ended 30 September 2015.

The registered office of the Company is 9 Grigore Alexandrescu Street, Sector 1, Bucharest, Romania. The Company has unique registration number 13267221 and Trade Register registration number J40/7425/2000.

As at 30 September 2015 the main shareholder of Electrica SA is the Romanian State, represented by the Ministry of Energy, Small and Medium-sized Enterprises and Business Environment (48.78%), after the ownership dilution following an initial public offer in July 2014. The second largest shareholder based on the share of ownership is EBRD with 8.66%.

The Company's subsidiaries are the following:

Subsidiary	Activity	Tax code	Head Office	% shareholding as at 30 September 2015	% shareholding as at 31 Dec 2014
Electrica Distributie Muntenia Nord SA	Electricity distribution in geographical area of Muntenia Nord	14506181	Ploiesti	78.0000021%	78.0000021%
Electrica Distributie Transilvania Nord SA	Electricity distribution in geographical area of Transilvania Nord	14476722	Cluj-Napoca	77.99999%	77.99999%
Electrica Distributie Transilvania Sud SA	Electricity distribution in geographical area of Transilvania Sud	14493260	Brasov	78.0000019%	78.0000019%
Electrica Furnizare SA	Electricity supply	28909028	Bucuresti	77.99997%	77.99997%
Electrica Serv SA	Services in the energy sector (maintenance, repairs, construction)	17329505	Bucuresti	100%	100%
Servicii Energetice Muntenia SA	Services in the energy sector (maintenance, repairs, construction)	29384120	Bucuresti	100%	100%
Servicii Energetice Moldova SA	Services in the energy sector (maintenance, repairs, construction)	29386768	Bacau	100%	100%
Servicii Energetice Dobrogea SA*	Services in the energy sector (maintenance, repairs, construction)	29388378	Constanta	100%	100%
Servicii Energetice Oltenia SA	Services in the energy sector (maintenance, repairs, construction)	29389861	Craiova	100%	100%

* Electrica SA lost the control of Servicii Energetice Dobrogea starting January 2015 when the bankruptcy proceedings of the subsidiary began (see Note 19).

The main activities of the Group include operation and construction of electricity distribution networks and electricity supply to final consumers. The Group is the electricity distribution operator and the main electricity supplier in Muntenia Nord area (Prahova, Buzau, Dambovita, Braila, Galati and Vrancea counties), Transilvania Nord area (Cluj, Maramures, Satu Mare, Salaj, Bihor and Bistrita-Nasaud counties) and Transilvania Sud area (Brasov, Alba, Sibiu, Mures, Harghita and Covasna counties), operating with transformation stations and power lines of between 0.4 kV and 110 kV.

ELECTRICA SA

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

The electricity distribution tariffs approved by National Authority for Energy Regulation (“ANRE”) are as follows (RON/MWh, presented cumulatively for medium and low voltage):

	Order 155, 156, 154/15.12.2014			Order 104, 105, 98/18.12.2013		
	1 January-31 December 2015			1 January-31 December 2014		
	High voltage	Medium voltage	Low voltage	High voltage	Medium voltage	Low voltage
Transilvania Nord	21.10	68.44	180.59	20.65	67.28	178.75
Transilvania Sud	23.41	70.26	192.65	23.46	70.45	194.74
Muntenia Nord	18.47	61.31	199.92	18.90	63.13	206.05

In 2013 the Company approved the liquidation of 3 subsidiaries: Servicii Energetice Banat, Servicii Energetice Dobrogea and Servicii Energetice Moldova. In January 2014 the Board of Directors of Servicii Energetice Oltenia and in October 2014 the Board of Directors of Servicii Energetice Muntenia decided the commencement of the insolvency process with a view to reorganization. For further information on the financial position of these subsidiaries refer to Note 19.

2 Basis of accounting

This condensed consolidated interim financial information (“interim financial information”) has been prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by the European Union. They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed by the European Union (“IFRS-EU”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

This condensed consolidated interim financial information was authorized for issue by the Board of Directors on 13 November 2015.

The Company also issues an original version of this condensed consolidated interim financial information prepared in Romanian language.

Judgements and estimates

In preparing this interim financial information, management makes judgements, estimates and assumptions that affect the application of Group’s accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

ELECTRICA SA

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

3 Basis of measurement

The condensed consolidated interim financial information have been prepared on the historical cost basis except for land and buildings which are measured based on the revaluation model. The assets and liabilities of the subsidiaries in financial distress are not measured on a going concern basis but on an alternate basis.

4 Significant accounting policies

Except as described below, the accounting policies applied in this interim financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2014. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2015.

(i) Changes in accounting policies

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards:

IFRIC 21 Levies (effective for annual periods beginning on or after 17 June 2014 under IFRS-EU)

The Group has adopted IFRIC 21 with the date of initial application of 1 January 2015. As a result of the adoption of IFRIC 21, the Group has reassessed the timing of when to accrue tax on special constructions imposed by legislation.

The interpretation clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires the same principles to be applied in interim financial information.

According to the tax law, the tax on special constructions is due based on the existence and value of the special constructions in the accounts of the tax payer at 31 December. The tax is payable in the subsequent year and the amount of the tax is not adjusted in the following year if the constructions are held for less than one year.

The Group previously accrued for tax on special constructions over the current tax year. In accordance with IFRIC 21, the Group has determined that the liability to pay the tax on special constructions should be recognised in full on 31 December of the prior year, when the obligating event as stated in the legislation occurs. IFRIC 21 was applied retrospectively.

(ii) Other changes in comparative interim period

As at 31 December 2014, the Group applied retrospectively the change in accounting policy regarding the

ELECTRICA SA**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

concession agreements (IFRIC 12 “Service concession arrangements”).

(iii) The impact of changes in accounting policies on the Group’s condensed consolidated interim financial information***Condensed consolidated statement of financial position***

	Impact of changes in accounting policy		
	As previously reported	Adjustment for IFRIC 21	As restated
31 December 2014			
Other payables (current)	(276,961)	(33,845)	(310,806)
Deferred tax liabilities	(189,168)	5,415	(183,753)
Others	(1,364,400)	-	(1,364,400)
Total liabilities	(1,830,529)	(28,430)	(1,858,959)
Retained earnings	(1,268,811)	22,176	(1,246,635)
Non-controlling interests	(810,520)	6,254	(804,266)
Others	(4,237,807)	-	(4,237,807)
Total equity	(6,317,138)	28,430	(6,288,708)

Condensed consolidated statements of profit or loss and comprehensive income

	Impact of changes in accounting policy			
	As previously reported	Adjustment for IFRIC 21	Adjustment for IFRIC 12	As restated
For the nine month period ended 30 September 2014 (unaudited and not reviewed)				
Revenues	3,465,214	-	191,953	3,657,167
Depreciation and amortization	(317,606)	-	63,005	(254,601)
Repairs, maintenance and materials	(67,502)	-	(3,112)	(70,614)
Construction costs related to concession agreements	-	-	(251,433)	(251,433)
Other operating expenses	(347,262)	35,655	-	(311,607)
Income tax expense	(82,262)	(5,703)	(325)	(88,290)
Others	(2,344,222)	-	-	(2,344,222)
Profit for the period	306,360	29,952	88	336,400
Total comprehensive income	306,360	29,952	88	336,400

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FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

(iv) Changes in disclosure

As at and for the year ended 31 December 2014 the Group changed the disclosure of management compensation and included compensation granted to the general directors of the Group companies. In prior periods management compensation included also the compensation of directors of departments. The management of the Company considers that the new presentation reflects more accurately the persons having authority and responsibility for planning, directing and controlling the activities of the entity.

5 New standards and interpretations not yet adopted

A number of amendments to standards were adopted by the EU but are not yet mandatorily effective for the year ending 31 December 2015 and have not been applied in preparing this consolidated condensed interim financial information:

- Annual improvements to IFRSs 2010 – 2012 Cycle;
- Amendments to IAS 19 (Defined Benefit Plans: Employee Contributions).

None of these amendments is expected to have a significant impact on the Group's consolidated financial information.

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(All amounts are in THOUSAND RON, if not otherwise stated)

6 Operating segments

(a) Information about reportable segments

	Electricity supply	Electricity distribution	External electricity network maintenance	Headquarter	Total for reportable segments	Consolidation eliminations and adjustments	Consolidated total
Nine month period ended							
30 September 2015 (unaudited and not reviewed)							
External revenues	3,216,618	731,433	16,795	-	3,964,846	-	3,964,846
Inter-segment revenue	69,488	1,113,616	10,769	-	1,193,873	(1,193,873)	-
Segment revenue	3,286,106	1,845,049	27,564	-	5,158,719	(1,193,873)	3,964,846
Segment profit (loss) before tax	113,823	435,215	(23,362)	301,574	827,250	(306,147)	521,103
Net finance income/(cost)	3,267	2,044	12	363,375	368,698	(344,648)	24,050
Depreciation, amortization and impairment, net	(5,539)	(253,484)	(5,238)	(3,275)	(267,536)	-	(267,536)
EBITDA**	116,095	686,655	(18,136)	(58,526)	726,088	38,501	764,589
Segment net profit (loss)	101,104	351,410	(19,756)	301,574	734,332	(306,147)	428,185
Employee benefits	(56,890)	(382,754)	(22,067)	(10,828)	(472,539)	-	(472,539)
Capital expenditure	3,661	293,288	-	-	296,949	-	296,949
Nine month period ended							
30 September 2014 (unaudited and not reviewed)							
External revenues - restated*	2,992,954	618,479	45,734	-	3,657,167	-	3,657,167
Inter-segment revenue	72,661	1,122,298	4	-	1,194,963	(1,194,963)	-
Segment revenue – restated*	3,065,615	1,740,777	45,738	-	4,852,130	(1,194,963)	3,657,167
Segment profit (loss) before tax – restated*	188,006	333,695	(82,348)	223,769	663,122	(238,432)	424,690
Net finance income/(cost)	2,867	4,999	(1)	247,586	255,451	(238,432)	17,019
Depreciation, amortization and impairment, net – restated*	(3,984)	(240,303)	(3,731)	(6,198)	(254,216)	-	(254,216)
EBITDA** - restated*	189,123	568,999	(78,616)	(17,619)	661,887	-	661,887
Segment net profit (loss) – restated*	150,038	283,971	(82,946)	223,769	574,832	(238,432)	336,400
Employee benefits	(57,781)	(402,335)	(82,317)	(12,671)	(555,104)	-	(555,104)
Capital expenditure	3,142	289,413	-	-	292,555	-	292,555

*See Note 4

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FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

At 30 September 2015 (unaudited and not reviewed)	Electricity supply	Electricity distribution	External electricity network maintenance	Headquarter	Total for reportable segments	Consolidation eliminations and adjustments	Consolidated total
Segment assets	1,113,735	4,965,000	192,799	2,233,001	8,504,535	(317,785)	8,186,750
Trade and other receivables	674,065	574,000	17,472	-	1,265,537	(446,209)	819,328
Cash and cash equivalents	269,979	313,103	7,972	352,258	943,312	-	943,312
Deposits, treasury bills and government bonds	-	68,039	-	1,842,681	1,910,720	-	1,910,720
Trade and other payables, dividends payable, and short term employee benefits	758,655	321,315	253,282	4,667	1,337,919	(428,085)	909,834
Bank overdrafts	-	67,012	-	-	67,012	-	67,012
Financing for network construction related to concession agreements, bank loans and finance lease	-	272,105	-	-	272,105	-	272,105
At 31 December 2014							
Segment assets	1,286,522	4,980,388	222,100	2,202,593	8,691,603	(543,936)	8,147,667
Trade and other receivables	724,938	661,105	23,841	-	1,409,884	(604,452)	805,432
Cash and cash equivalents	403,486	144,481	6,220	1,075,321	1,629,508	-	1,629,508
Deposits, treasury bills and government bonds	-	182,100	-	1,038,421	1,220,521	-	1,220,521
Trade and other payables, and short term employee benefits – restated*	826,140	404,996	309,771	7,274	1,548,181	(495,014)	1,053,167
Bank overdrafts	-	48,132	-	-	48,132	-	48,132
Financing for network construction related to concession agreements and finance lease	-	250,844	-	-	250,844	-	250,844

*See Note 4

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(All amounts are in THOUSAND RON, if not otherwise stated)

The breakdown of the Electricity distribution reportable segment is as follows:

Nine month period ended 30 September 2015 (unaudited and not reviewed)	Distribution Muntenia Nord	Distribution Transilvania Nord	Distribution Transilvania Sud	Electricity network maintenance	Eliminations	Total Electricity distribution
External revenues	237,079	245,149	224,516	24,689	-	731,433
Inter-segment revenue	393,702	350,247	362,052	236,988	(229,373)	1,113,616
Segment revenue	630,781	595,396	586,568	261,677	(229,373)	1,845,049
Segment profit before tax	149,413	140,056	147,482	(1,736)	-	435,215
Net finance income/(cost)	2,321	(814)	920	(383)	-	2,044
Depreciation, amortization and impairment, net	(70,512)	(81,596)	(89,834)	(11,542)	-	(253,484)
EBITDA**	217,604	222,466	236,396	10,189	-	686,655
Net profit	118,550	116,411	121,551	(5,102)	-	351,410
Employee benefits	(90,485)	(85,265)	(84,019)	(122,985)	-	(382,754)
Capital expenditure	91,918	125,920	74,774	676	-	293,288
Nine month period ended 30 September 2014 (unaudited and not reviewed)						
External revenues – restated*	229,699	179,869	203,326	5,585	-	618,479
Inter-segment revenue	408,683	345,270	360,726	270,898	(263,279)	1,122,298
Segment revenue – restated*	638,382	525,139	564,052	276,483	(263,279)	1,740,777
Segment profit before tax – restated*	139,293	111,298	76,966	6,138	-	333,695
Net finance income/(cost)	7,123	(806)	(1,644)	326	-	4,999
Depreciation, amortization and impairment, net – restated*	(64,539)	(76,329)	(88,530)	(10,905)	-	(240,303)
EBITDA** – restated*	196,709	188,433	167,140	16,717	-	568,999
Net profit – restated*	124,033	93,611	57,686	8,641	-	283,971
Employee benefits	(98,616)	(89,494)	(86,038)	(128,187)	-	(402,335)
Capital expenditure	113,705	90,247	84,213	1,248	-	289,413

*See Note 4

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FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

At 30 September 2015 (unaudited and not reviewed)	Distribution Muntenia Nord	Distribution Transilvania Nord	Distribution Transilvania Sud	Electricity network maintenance	Eliminations	Total Electricity distribution
Segment assets	1,706,283	1,375,480	1,465,592	479,517	(61,872)	4,965,000
Trade and other receivables	172,636	135,372	140,263	187,601	(61,872)	574,000
Cash and cash equivalents	154,997	24,775	112,704	20,627	-	313,103
Deposits, treasury bills and government bonds	68,039	-	-	-	-	68,039
Trade and other payables, dividends payable, and short term employee benefits	85,687	120,252	108,713	68,535	(61,872)	321,315
Bank overdrafts	-	10,272	56,740	-	-	67,012
Financing for network construction related to concession agreements, bank loans and finance lease	93,593	70,630	95,282	12,600	-	272,105
At 31 December 2014						
Segment assets	1,739,503	1,326,879	1,422,739	583,871	(92,604)	4,980,388
Trade and other receivables	171,169	137,526	159,785	285,229	(92,604)	661,105
Cash and cash equivalents	94,539	17,370	15,744	16,828	-	144,481
Deposits, treasury bills and government bonds	182,100	-	-	-	-	182,100
Trade and other payables, and short term employee benefits – restated*	122,081	130,563	130,851	114,235	(92,734)	404,996
Bank overdrafts	-	38,948	9,184	-	-	48,132
Financing for network construction related to concession agreements and finance lease	108,291	30,538	111,721	294	-	250,844

*See Note 4

** EBITDA (Earnings before interest, tax, depreciation and amortisation) for operating segments is defined and calculated as segment profit (loss) before tax of a given operating segment adjusted for i) depreciation, amortization and impairment/ reversal of impairment of property, plant and equipment and intangible assets in the operating segment and ii) net finance income in the operating segment. EBITDA is not an IFRS measure and should not be treated as an alternative to IFRS measures. Moreover, EBITDA is not uniformly defined. The method used to calculate EBITDA by other companies may differ significantly from that used by the Group. As a consequence, the EBITDA presented in this note cannot, as such, be relied upon for the purpose of comparison to EBITDA of other companies.

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*(All amounts are in THOUSAND RON, if not otherwise stated)***(b) Reconciliation of information on reportable segments to IFRS measures**

	30 September 2015 (unaudited and not reviewed)	31 December 2014 restated*
Total assets		
Total assets for reportable segments	8,504,535	8,691,603
Elimination of inter-segment assets	(377,173)	(601,805)
Unallocated amounts	59,388	57,869
Consolidated total assets	8,186,750	8,147,667
Trade and other receivables		
Trade and other receivables for reportable segments	1,265,537	1,409,884
Elimination of inter-segment trade and other receivables	(443,638)	(602,696)
Unallocated amounts	(2,571)	(1,756)
Consolidated trade and other receivables	819,328	805,432
Trade and other payables, dividends payable and short term employee benefits		
Trade and other payables, dividends payable and short term employee benefits for reportable segments	1,337,919	1,548,181
Elimination of inter-segment trade and other payables, dividends payable and short term employee benefits	(425,514)	(493,258)
Unallocated amounts	(2,571)	(1,756)
Consolidated trade and other payables, dividends payable and short term employee benefits	909,834	1,053,167
Nine month period ended		
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Profit before tax		
Total profit before tax for reportable segments	827,250	663,122
Elimination of inter-segment profit	(344,648)	(238,432)
Unallocated amounts (Gain on loss of control over subsidiaries)	38,501	-
Consolidated profit before tax	521,103	424,690
Net profit		
Total net profit for reportable segments	734,332	574,832
Elimination of inter-segment profit	(344,648)	(238,432)
Unallocated amounts (Gain on loss of control over subsidiaries)	38,501	-
Consolidated net profit	428,185	336,400

**See Note 4*

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FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All amounts are in THOUSAND RON, if not otherwise stated)

7 Revenue

	Nine month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Supply and distribution of electricity	3,619,995	3,330,706
Construction revenue related to concession agreements	281,831	256,591
Repairs and maintenance and other services rendered	41,401	55,620
Re-connection fees	7,627	6,786
Sales of merchandise	13,992	7,464
Total	3,964,846	3,657,167

*See Note 4

The revenue from supply and distribution of electricity include RON 245,399 thousand (RON 219,584 thousand for the nine month period ended 30 September 2014) representing cost of green certificates recharged to final consumers.

8 Other income

	Nine month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 (unaudited and not reviewed)
Rent income	61,211	57,770
Late payment penalties from customers	45,891	13,667
Commissions for the collection of radio and TV taxes	10,426	10,274
Gain on loss of control over subsidiaries (Note 19)	38,501	-
Other	11,666	10,576
Total	167,695	92,287

9 Earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

ELECTRICA SA**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

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*(All amounts are in THOUSAND RON, if not otherwise stated)**Profit attributable to ordinary shareholders*

Profit for the period attributable to the owners of the Company

Profit attributable to ordinary shareholders**See Note 4*

Nine month period ended	
30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
326,653	237,275
326,653	237,275

Profit for the period attributable to the owners of the Company

Profit attributable to ordinary shareholders**See Note 4*

Three month period ended	
30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
116,184	93,205
116,184	93,205

Weighted-average number of outstanding ordinary shares (in number of shares)

For the calculation of basic and diluted earnings per share, treasury shares (6,890,593 shares) were not treated as outstanding ordinary shares and were deducted from the number of issued ordinary shares.

Number of outstanding ordinary shares at 1 January

Effect of shares issued in February

Effect of spin-off in April

Effect of shares issued in May

Effect of underwritings from the IPO in June

Effect of shares re-purchased in July

Weighted-average number of ordinary shares at 30 September (unaudited and not reviewed)**Earnings per share**

Basic and diluted earnings per share (RON per share)

2015	2014
339,049,336	207,839,904
-	167,346
-	(28,749,187)
-	2,137,109
-	78,750,553
-	(1,531,243)
339,049,336	258,614,482
Nine month period ended	
30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
0.96	0.92

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	2015	2014
Number of outstanding ordinary shares at 1 July	339,049,336	345,939,929
Effect of shares re-purchased in July	-	(4,593,729)
Weighted-average number of ordinary shares at 30 September (unaudited and not reviewed)	339,049,336	341,346,200
Earnings per share		
	Three month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Basic and diluted earnings per share (RON per share)	0.34	0.27

*See Note 4

10 Dividends

On 27 April 2015 the shareholders of the Company approved dividend distribution of RON 244,692 thousand. The dividend per share distributed is RON 0.7217 per share.

Also, dividends of RON 97,208 thousand were approved during the period to non-controlling interests - Fondul Proprietatea, by the following subsidiaries: Electrica Furnizare, Electrica Distributie Muntenia Nord, Electrica Distributie Transilvania Nord and Electrica Distributie Transilvania Sud.

11 Income taxes

	Nine month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 restated* (unaudited and not reviewed)
Current year tax expense	84,793	74,683
Adjustment for prior years' current tax	5,002	-
Deferred tax expense	3,123	13,607
Total income tax expense	92,918	88,290

*See Note 4

12 Cash and cash equivalents

	30 September 2015 (unaudited and not reviewed)	30 September 2014 (unaudited and not reviewed)
Total cash and cash equivalents in the condensed consolidated statement of financial position	943,312	2,462,611
Overdrafts used for cash management purposes	(67,012)	(48,440)
Total cash and cash equivalents in the condensed consolidated statement of cash flows	876,300	2,414,171

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(All amounts are in THOUSAND RON, if not otherwise stated)

At 30 September 2015 the Group has guarantees on its bank accounts opened at ING Bank Romania, BRD Groupe Societe Generale and OTP Bank Romania for the overdrafts and loan contracted.

The following information is relevant in the context of the statement of cash-flows. Non-cash activity includes:

- purchases of property, plant and equipment on suppliers' credit of RON 49 million during the nine month period ended 30 September 2015 (nine month period ended 30 September 2014: RON 59 million);
- set-off between trade receivables and trade payables of RON 52 million during the nine month period ended 30 September 2015 (nine month period ended 30 September 2014: RON 56 million).
- effect of loss of control over a subsidiary under financial distress (see Note 19).

13 Deposits, treasury bills and government bonds

	30 September 2015 (unaudited and not reviewed)	31 December 2014
Treasury bills and government bonds denominated in RON with original maturity of more than three months	1,842,681	901,417
Deposits with maturity of more than three months	68,039	319,104
Total deposits, treasury bills and government bonds	1,910,720	1,220,521

Treasury bills and government bonds with original maturity of more than three months have an average interest rate (yield) of 1.34%.

Treasury bills and government bonds were classified as held to maturity investments.

14 Trade receivables

	30 September 2015 (unaudited and not reviewed)	31 December 2014
Trade receivables, gross	1,941,125	1,928,476
Bad debt allowance	(1,141,151)	(1,147,655)
Total trade receivables, net	799,974	780,821

Receivables from related parties are disclosed in Note 18.

The movement in the bad debt allowance for trade receivables is as follows:

	Bad debt allowance
Balance as at 1 January 2015	1,147,655
Impairment recognized	2,175
Amounts written off	(118)
Impairment reversed	(4,028)
Effect of loss of control over subsidiaries	(4,533)

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(All amounts are in THOUSAND RON, if not otherwise stated)

Balance as at 30 September 2015 (unaudited and not reviewed)	1,141,151
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A significant part of the bad debt allowances refers to clients in litigation, insolvency or bankruptcy procedures, many of them being older than three years. The Group will derecognize these receivables together with the related allowances after the finalization of the bankruptcy process.

15 Other payables

	30 September 2015		31 December 2014 restated*	
	(unaudited and not reviewed)			
	Current	Non-current	Current	Non-current
VAT payable	143,764	-	136,831	-
Late payment penalties to the State budget	1,852	-	18,450	11,238
Other liabilities to the State	43,141	-	86,111	-
Payables related to radio and TV tax	11,916	-	12,424	-
Liabilities related to green certificates acquisition obligation	-	-	42,396	-
Other liabilities	38,543	43,152	14,594	41,943
Total	239,216	43,152	310,806	53,181

*See Note 4

The late payment penalties and other liabilities to the State refer to the services subsidiaries, including those in financial distress (see Note 19).

In accordance with Law no. 533/2003, that amended Law no. 41/1994 regarding the organization and functioning of Romanian Radio Company and Romanian Television Company, radio and TV taxes are collected by Electrica Furnizare SA on behalf of these companies. The payable of the Group to the above mentioned institutions represents radio and TV tax collected and not paid by the period-end.

Other liabilities include mainly guarantees and sundry creditors. Other non-current liabilities refer to guarantees from customers related to electricity supply.

16 Provisions

	Provisions
Balance at 1 January 2015	72,634
Provisions made	43,017
Provisions used	(4,059)
Provisions reversed	(5,079)
Balance at 30 September 2015	106,513

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(All amounts are in THOUSAND RON, if not otherwise stated)

As at 30 September 2015, provisions refer mainly to:

- RON 73,956 thousand representing potential fiscal obligations of the Group (including interest and penalties);
- RON 17,988 thousand representing claims of individuals in respect of land of the Group.

The provisions made in 2015 refer mainly to:

- provision of RON 31,252 thousands representing penalties disputed with ANAF in court, following an adverse decision against the Company;
- provision of RON 8,452 thousands representing potential late payment interest and penalties for fiscal obligations following controls from ANAF to certain subsidiaries.

As at 31 December 2014, provisions refer mainly to:

- RON 34,175 thousand representing potential fiscal obligations of the Group (including interest and penalties);
- RON 21,497 thousand representing claims of individuals in respect of land of the Group.

17 Financial instruments – fair values

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 September 2015 (unaudited and not reviewed)	Carrying amount			Fair value				
	Loans and receivables	Held to maturity financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	799,974			799,974				
Deposits, treasury bills and government bonds		1,910,720		1,910,720				
Cash and cash equivalents	943,312			943,312				
Total	1,743,286	1,910,720		3,654,006				
Financial liabilities not measured at fair value								
Bank overdrafts			67,012	67,012				
Long term bank loans			12,600	12,600				
Short term bank			49,177	49,177				

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(All amounts are in THOUSAND RON, if not otherwise stated)

30 September 2015 (unaudited and not reviewed)	Carrying amount				Fair value			
	Loans and receivables	Held to maturity financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
borrowings								
Financing for network construction related to concession agreements			210,328	210,328		214,758		214,758
Trade payables			529,703	529,703				
Total			868,820	868,820				

31 December 2014	Carrying amount				Fair value			
	Loans and receivables	Held to maturity financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	780,821			780,821				
Deposits, treasury bills and government bonds		1,220,521		1,220,521				
Cash and cash equivalents	1,629,508			1,629,508				
Total	2,410,329	1,220,521		3,630,850				
Financial liabilities not measured at fair value								
Bank overdrafts			48,132	48,132				
Financing for network construction related to concession agreements			250,550	250,550		256,130		256,130
Finance lease			294	294				
Trade payables			555,256	555,256				
Total			854,232	854,232				

In March 2015 Electrica Serv contracted a loan from OTP Bank Romania of RON 18,000 thousand in order to finance the subsidiary's payables to tax authorities. The loan bears an interest rate of ROBOR 3M plus a margin of 3.25% p.a. The loan is payable in equal monthly tranches until 11 November 2016. The loan is secured by pledges over part of the subsidiary's assets (bank accounts, trade receivables from the contracts concluded with related parties and buildings).

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In September 2015 Electrica Distributie Transilvania Nord contracted a revolving credit facility from Banca Comerciala Romana in order to finance the operational activity and to refinance credit facilities contracted by the subsidiary from other banks. The credit has a maximum limit of RON 50,000 thousand and bears an interest rate of ROBOR 1M. The credit is payable in full in January 2016.

(b) Measurement of fair values

Fair value hierarchy

The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

The following table describes the valuation techniques used in measuring Level 2 fair values.

Financial instruments not measured at fair value

Type	Valuation technique
Other financial liabilities	<i>Discounted cash flows (DCF) method</i>
	The discount rates used are the average 12 M ROBID-ROBOR interest rates of 1.43% as at 30 September 2015 (31 December 2014: 1.67%).

18 Related parties

(a) Management and administrators' compensation

	Nine month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 (unaudited and not reviewed)*
Management compensation	1,913	1,694

*See Note 4

Compensations granted to the members of the Board of Directors and representatives in the General Meeting of Shareholders were as follows:

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	Nine month period ended	
	30 September 2015 (unaudited and not reviewed)	30 September 2014 (unaudited and not reviewed)
Members of Board of Directors	1,576	1,806
Representatives in the General Meeting of Shareholders	58	110
Total	1,634	1,916

(b) Transactions with companies in which the state has control or significant influence

The Group has transactions with companies in which the state has control or significant influence in the ordinary course of business, related mainly to the acquisition of electricity, transmission and system services and sale of electricity. Significant purchases and balances are mainly with energy suppliers, as follows:

Supplier	Purchases (excluding VAT)		Balance (including VAT)	
	Nine month period ended 30 September 2015 (unaudited and not reviewed)	Nine month period ended 30 September 2014 (unaudited and not reviewed)	30 September 2015 (unaudited and not reviewed)	31 December 2014
Nuclearelectrica	245,988	281,541	43,290	35,619
Transelectrica	404,898	361,105	83,281	156,759
Complexul Energetic Oltenia	124,878	-	8,521	6,000
Hidroelectrica	377,652	403,602	29,850	55,065
OPCOM	250,197	299,599	2,241	2,449
Electrocentrale Bucuresti	29,103	3,114	-	1
SNGN ROMGAZ	-	19,296	-	-
CN Posta Romana SA	4,122	5,424	322	324
Others	59,306	8,483	14,467	5,540
Total	1,496,144	1,382,164	181,972	261,757

The Group also makes sales to companies in which the state has control or significant influence representing electricity supplied, of which the significant transactions are the following:

Client	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net
	Nine month period ended 30 September 2015 (unaudited and not reviewed)	30 September 2015 (unaudited and not reviewed)		
CFR Telecomunicatii	37,571	2,434	-	2,434
CFR Electrificare	11,665	1,258	-	1,258

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Client	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net
	Nine month period ended 30 September 2015 (unaudited and not reviewed)		30 September 2015 (unaudited and not reviewed)	
	SNGN Romgaz	15,643	2,492	-
OPCOM	17,781	2,204	-	2,204
Cupru Min S.A. Abrud	24,318	15,122	(15,122)	-
Transelectrica	4,902	232	-	232
CN Romarm	6,839	197	-	197
CN Remin SA	241	71,168	(71,168)	-
C.N.C.A.F. MINVEST S.A.	-	78,735	(78,735)	-
Oltchim	-	715,277	(715,277)	-
Baita SA	1,440	6,037	(4,985)	1,052
Enel Distributie Muntenia	12,699	4,570	-	4,570
Others	39,487	14,874	(6,913)	7,961
Total	172,586	914,600	(892,200)	22,400

Client	Sales (excluding VAT)	Balance, gross (including VAT)	Allowance (including VAT)	Balance, net
	Nine month period ended 30 September 2014 (unaudited and not reviewed)		31 December 2014	
	CFR	122,538	1,367	-
CFR Electrificare	-	1,390	-	1,390
SNGN Romgaz	8,245	1,544	-	1,544
OPCOM	8,479	2,374	-	2,374
Cupru Min S.A. Abrud	23,777	24,122	(24,122)	-
Transelectrica	12,647	2,080	-	2,080
CN Romarm	6,914	366	-	366
Electrocentrale Oradea	1,939	341	-	341
CN Remin SA	260	71,192	(71,192)	-
C.N.C.A.F. MINVEST S.A.	-	78,735	(78,735)	-
Oltchim	-	715,277	(715,277)	-
Baita SA	-	6,366	-	6,366
Enel Distributie Muntenia	-	14,814	-	14,814
Others	22,997	5,153	(75)	5,078
Total	207,796	925,121	(889,401)	35,720

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19 Subsidiaries in financial distress

In 2013 the Company approved the liquidation of Servicii Energetice Moldova, Servicii Energetice Banat and Servicii Energetice Dobrogea. Servicii Energetice Dobrogea entered in bankruptcy in January 2015 and Servicii Energetice Banat in November 2014 and consequently the Company discontinued their consolidation as of these dates as it no longer has control over these entities.

The individual assets and liabilities of Servicii Energetice Dobrogea at the date the Company ceased its consolidation (31 January 2015) were as follows:

	<u>Carrying amount</u>
	<u>Servicii Energetice Dobrogea</u>
	<u>as of 31 January 2015</u>
Property, plant and equipment	3,435
Trade receivables	1,367
Cash and cash equivalents	2,863
Total assets	7,665
Trade payables	1,802
Other payables	22,006
Employee benefits	22,214
Deferred tax liabilities	144
Total liabilities	46,166
Gain on loss of control (Note 8)	38,501

In January 2014 the Board of Directors of Servicii Energetice Oltenia and in October 2014, the Board of Directors of Servicii Energetice Muntenia decided the commencement of the insolvency procedure with a view to reorganization. The insolvency processes were initiated in 2014.

Due to the above conditions that indicated the existence of significant uncertainties that cast significant doubt on the ability of these subsidiaries to continue to operate as going concerns, the Group has measured the carrying amounts of the assets and liabilities of these subsidiaries on a liquidation basis as at 30 September 2015 (for Servicii Energetice Moldova SA, Servicii Energetice Oltenia SA, and Servicii Energetice Muntenia) and 31 December 2014 (for Servicii Energetice Moldova SA, Servicii Energetice Dobrogea SA, Servicii Energetice Oltenia SA, and Servicii Energetice Muntenia).

As at 30 September 2015 and at 31 December 2014, the carrying amount of the assets and liabilities of these companies included in the consolidated financial information are as follows:

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	Servicii Energetice Moldova	Servicii Energetice Muntenia	Servicii Energetice Oltenia	Total
30 September 2015 (unaudited and not reviewed)				
Property, plant and equipment	23,020	106,827	33,508	163,355
Trade receivables	94	6,480	5,491	12,065
Cash and cash equivalents	2,408	5,245	319	7,972
Total assets	25,522	118,552	39,318	183,392
Trade payables	(3,243)	(15,902)	(2,752)	(21,897)
Payables to the State budget	(41,945)	(2,001)	(8,149)	(52,095)
Social security and other salary taxes	(34,803)	(2,100)	(7,501)	(44,404)
Provisions, employee benefits and deferred taxes	(20,477)	(27,403)	(14,063)	(61,943)
Total liabilities	(100,468)	(47,406)	(32,465)	(180,339)

	Servicii Energetice Moldova	Servicii Energetice Dobrogea	Servicii Energetice Muntenia	Servicii Energetice Oltenia	Total
31 December 2014					
Property, plant and equipment	40,418	3,435	109,180	35,006	188,039
Trade receivables	811	1,313	16,894	3,729	22,747
Cash and cash equivalents	1,971	2,863	291	1,095	6,220
Total assets	43,200	7,611	126,365	39,830	217,006
Trade payables	(2,900)	(2,098)	(5,976)	(2,865)	(13,839)
Payables to the State budget	(47,735)	(22,006)	(1,887)	(4,297)	(75,925)
Social security and other salary taxes	(38,192)	(17,130)	(2,471)	(6,120)	(63,913)
Provisions, employee benefits and deferred taxes	(26,387)	(5,228)	(27,762)	(13,914)	(73,291)
Total liabilities	(115,214)	(46,462)	(38,096)	(27,196)	(226,968)