

EURO Insol

Professional Reorganizations and Liquidation
Company

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HIDROELECTRICA



ACTIVITY REPORT ***File no. 22456/3/2012***

January 2013

Legal Administrator

EURO INSOL SPRL

By coordinating practitioner

Attorney at law. Dr. Remus Adrian Borza

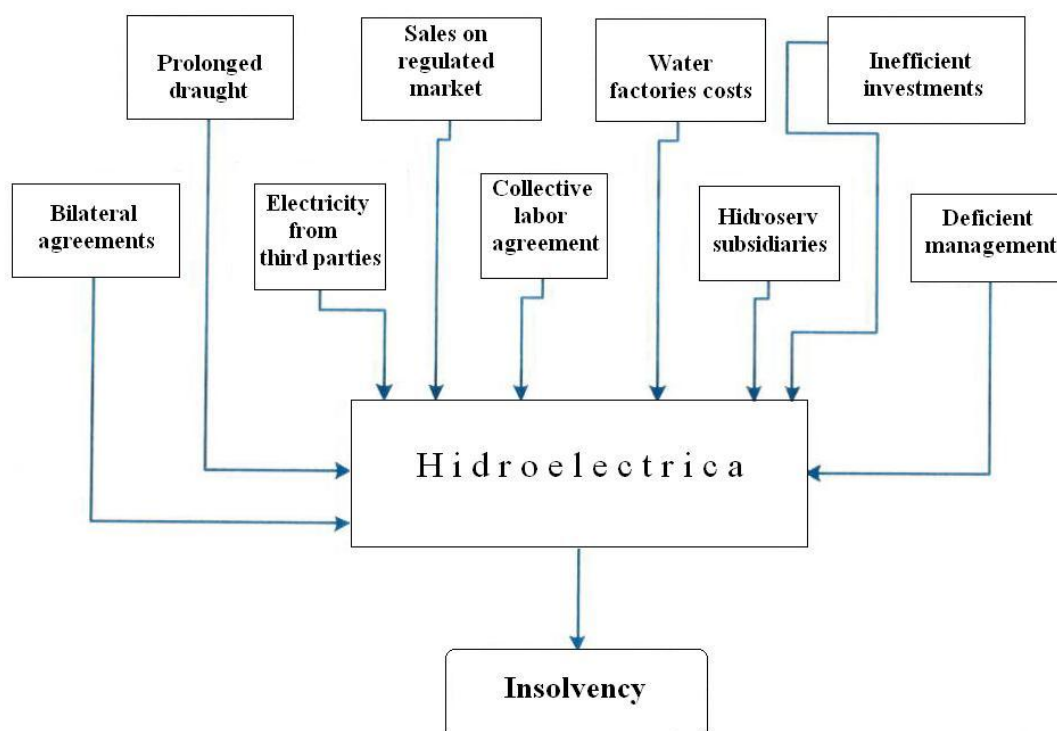
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I. Brief history

Following a request made by Company for Electricity Generation in Hydropower Units "Hidroelectrica" SA, with headquarters in Bucharest, sector 2, 3 Constantin Nacu Street, Fiscal Identification Number 13267213, registered in the Trade Register under number J40/7426/2000, the Bucharest Court, Civil Section VII, by concluding session delivered on 20.06.2012 in file no. 22456/3/2012, ordered the opening of insolvency proceedings under the Law 85/2006, with subsequent amendments and appointed Euro Insol SPRL as Legal Administrator.

After preparing the Report regarding causes and circumstances that led to the emergence of company's insolvency, a complex and multidisciplinary report had been completed and submitted to the file on 10 august 2012, where the legal administrator's conclusions have revealed nine causes that have led to Company's insolvency:



Until the date of the present Report, the legal administrator has adopted a series of measures leading to performance of the following purposes:

- **Minimizing company's loss.** Legal administrator has considered some line of actions materialized mainly through: identifying the sources of losses and stopping them and renegotiation of contracts concluded with all partners - customers, suppliers of products and services, establishing clear policies for acquisitions (electricity, products, and services).
- **Maximizing company's revenues.** Legal administrator has analyzed selling prices for electricity in bilateral contracts in relation to prices obtainable on OPCOM and intervened with the necessary corrections by renegotiating/termination of supply contracts, and sale of redundant energy on Competitive market.
- **Ensuring continuity in the functioning of the company,** without affecting production processes. The Legal administrator has reorganized company's activities designed to increase the operational and commercial efficiency of the debtor. Also, Legal administrator has set new circuits for approving documents so that the steps required (for necessary papers, procurement procedures, orders, and contracts) should be made within a reasonable time, eliminating excessive bureaucracy. To ensuring proper control of financial and economic activity of the debtor Legal administrator has decided to assign right for bank signature to only one person - the legal administrator - and established ban on company accounts and operations of its subsidiaries without approval
- **Legal action for insolvency proceedings,** consisting in preparing and presenting the preliminary table with claims, organizing the first meeting of creditors, preparing reporting activity under Law no. 85/2006, ensuring representation of the debtor in Table preliminary objections to claims made in actions brought by Hidrosind, oppositions, appeals and all appeals and requests made by energy traders in the case of insolvency and beyond.

Each of the measures and actions taken up to the date of the present Report are described in detail in the Activity Report of the Legal administrator for September, October, November and December 2012, published in the Bulletin for Proceedings of Insolvency or on site www.euroinsol.eu

II. SUMMARY OF CURRENT ACTIVITIES

For the period covered by this report, Euro Insol SPRL activity has continued with actions that have commenced in previous months, with the main goal of reducing losses, organizing and streamlining internal processes and procedures to ensure a better operational and commercial functioning in order to create the premises for debtor's economic recovery.

A. Operational measures :

- Establish clear sale policies on the Competitive market and establish the principles for tendering and contracting electricity for year 2013.
- Continuing economic and financial recovery measures, mainly by identifying the sources that generate losses and stopping them, renegotiating contracts with all partners, clients and suppliers of products and services in order to reduce pressure on operating expenses and therefore reducing payment flows, while the debtor returns have significantly fallen due to lowering production amid severe drought;
- Managing financial resources of the debtor without affecting production processes.
- Company's organizational restructuring.

B. Procedural actions due to insolvency.

- Creditors' Committee Meeting scheduled for January 17th, 2013.
- Prepare to defend Hidroelectrica in a number of 74 complaints brought by creditors against the preliminary table.
- Disputes settled during the activity report.

III. DESCRIPTION OF ACTIVITIES**A. Operational measures applied by the legal administrator****1. Operating activities*****Hydrological features:***

January 2013 was a winter month with deficient hydraulicity in all sections: thus :→ Dâmbovița (74%), Bistra Mărului (62%), Bistrița (60%), Râul Târgului (61%), Argeșul (60%), Prutul (59%), Drăganul (58%), Oltul (58%), Someșul (57%), Râul Mare (55%), Jiul (55%), Râul Alb (53%), Lotrul (52%), Cerna -Valea lui Iovan (52%), Buzăul (45%), Sebeșul (39%).

In terms of hydrological features January 2013 has continued the poor period of the previous months.

Danube registered 121% hydraulicity, and can be characterized as surplus (inflow recorded 6063 cm/s, compared to 5010 cm/s for normal month).

Hydrological forecast prepared by NIHWM (National Institute for Hydrology and Water Management) at the beginning of the month was 94% fulfilled (Bistrița – Izvorul Muntelui section) and 148% (Prutul –Stânca section). For Danube, forecast on 28.12.2012 (4600 cm/s flow rate forecast) was 132% realized. On 10.01.2013 NIHWM updated forecast for the Danube from the value of 4600 cm / s to the value of 5500 cm / s, the final value would be exceeded by almost 10%.

Hydrological conditions combined with employment hydro units in the Balancing Market, led to reduced volumes in head cascade arrangements (reduced total volume for December of about 37 million cubic meters). Compared to established target volumes settled with NAER to accumulations under Hidroelectrica's administration occurred without exception accumulation. The degree of filling for large volume accommodation reached on 31.01.2013 a value of 56.86% ,about 7% above the average of the end of the month of January for the last 17 years (50.1%) and about 12% higher than expected as presented in the GD no. 941/2012 (program shift properly for winter period - 44.5% on 31.01.2013). Energy production from own plants in January was of 965 GWh, about 309 GWh below average production in January average for the last 17 years (1274 GWh).

Situation head cascade arrangements:

Date	Degree of filling the useful volume (%)	Useful volume	Energy reserves (GWh)
		Total (mil mc)	
2012 -31 Dec	58.32	1437.93	1766.90
2013-31 Jan	56.86	1402.02	1738.84

Coverage of contractual obligations:

(MWh)											
Month	Contractual obligations							Total offer	Purchase		Total delivered from own production
	Export	Eligible Contracts	Electrica Contracts	Bilateral Contracts	Cons	Sale NDM	Total Contractual obligations		NDM	Bilateral contracts	
January	0	330114	378046	53320		141652	917641	917630	2	0	965115
TOTAL	0	330114	378046	53320		141652	917641	917630	2	0	965115

Ancillary services were 100% completed. (138,180 hMW contracted amount of secondary control, 426240 hMW regulated amount of tertiary control reserve, 1330 MVarh corresponding amount in secondary voltage control).

Month	Purchase average price on NDM (RON/MWh)	Sale average price on NDM (RON/MWh)	Average price PZU (RON/MWh)
January	21.00	224.60	190.54

Structure of electricity production:

Arrangement	Dispatch able units			Non-dispatch able units		
	MWh	MW	%	MWh	MW	%
Danube arrangement	692 468.00	930.74	72.49			
Arrangements with accumulations	148 161.26	199.14	15.51	6 748.71	9.07	68.73
Facilities along the water	114 666.59	154.12	12.00	3 070.39	4.13	31.27

Total - Jan **965 114.95 1 297.20**
 Total per Year (up to date) **965 114.95 1 279.20**

Specific consumption for production and transformation:

Month	C _{pr} (MWh)	C _{pr} (%)
January	10277	1.05

In January the own consumption recorded for production was of **10,277** GWh.

Available and provided power (For reporting month PO–HE-DE-06) (MW)

Month	Installed power	Permanent discounts	Provided power	Degree of fulfillment P _d / 4500 ×100 (%)
January	6271,45	276,38	4987,07	133,22

Outfall situations (For reporting month PO –HE-DE-07)

Discharged power (MWh)

→ Cause Month ↓	Servitude Utilities	Flow over the installed one	Permanent discounts	Maintenance works	Other causes	Total
January	10446	0	0	6515	0	16961
Total up today	10446	0	0	6515	0	16961

Note. (*)The data are estimates according to daily records of application "Energy Management" values with a high degree of accuracy after 10 February, when is reported deadline Procedure for January.

For the month of February 2012, estimate energy production achieved in own facilities, prepared based on the latest forecasts inflow of sections arranged, the degree of filling of the situation and proposed arrangements made by NAER water flow is about 1100GWh.

2. **Supplying activity**

Competition Market

In January 2013, has continued the sale of entire available quantity on Centralized market from Bilateral Contracts – PCCB OPCOM.

During January 2013, Hidroelectrica SA participated on PCCB OPCOM with 10 offer packages, at the auction session on 15.01.2013, and 24.01.2013.

Given the sharp downward trend both PPCB trading price and the NDM, together with the sales strategy that aims primarily to maximize the company's revenues, a sole transaction was completed with SC Electrica SA, for the quantity of 70 GWh, at a price of 210 RON.

Considering the fact that about 85% of the amount estimated to be produced in 2013 has been contracted, the company remains consistent with its strategy of maximizing revenue, continuing to offer the quantities available at the market price. If the amount available will not be traded on PCCB, the option to sell on NDM will be taken into consideration.

Also in the month of January 2013 20 offer packages totaling 780 GWh were submitted for publication on the OPCOM website, with the auction starting price of 200 RON / MWh. These offer packages were scheduled for auctions on 01.02.2013 and 04.02.2013.

Analysis and defining revenues due to 2013 Revenue and Expenditure Budget

Because of to the drought conditions of the last two years and due to budget restrictions and insolvency conditions, currently estimated electricity production in 2013 is of approx. 13 TWh / year, which represents the based for company's REB.

Following NAER transmission of related items on the Regulated markets regarding electricity and the Regulated market of ancillary services, as well as contracts carried in the Competitive market (bilateral and concluded on PCCB PPCOM) during the month of January 2013 the indicator for Income from economic and financial year 2013 was completed.

Analyzes performed led to the determining income based on revenues from certain ongoing contracts plus some prudent revenue estimates, based on hydraulicity forecasted by NIHWM, specialized institute subordinated to NAER.

In this way, the company contracted prudent amount of electricity that is expected to be produced, avoiding 90% to subcontracting, which may produce negative effects on the economic result of contractual year.

Additional quantities can be produced due to positively changing hydraulicity in future periods that will be capitalized on centralized markets managed by OPCOM (PCCB, NDM and OTC), and by transactions on defined periods due to hydraulicity peaks.

3. **Maintenance activity**

Beginning of 2013 was marked by two important activities, namely, closing of 2012 and preparing 2013 maintenance program with regard to the approved budget.

In addition to the daily and weekly analysis of maintenance in subsidiaries, for compliance of physical and value maintenance program and the stopping program approved by Hidroelectrica management and NED and application EMSYS-MAINTENANCE were completed:

- End of December;
 - Centralization, analysis and validation of data from Subsidiaries with tracking and framing construction works for maintenance budgets approved for December 2012;
 - Prepare summary report on the value of maintenance costs, resulting in the following values:
 - Value of maintenance program for December – 26,911,254 RON
 - Maintenance value realized in December – 26,288,808 RON;
- Closure of 2012;
 - Centralization, analysis and validation of data from Subsidiaries with tracking and framing construction works for maintenance budgets approved for December 2012;
 - Centralize maintenance works performed by Hidroserv subsidiaries and tracking their value in enrollment Addendums concluded at subsidiary level;
 - Prepare summary report on the value of maintenance costs, resulting in the following values:
 - Value of maintenance program 2012 (approved) – 305,084,506 RON
 - Realized maintenance value in 2012 – 287,694,646 RON;
- Prepare maintenance program for the first quarter of 2013;
 - Centralization, analysis and validation maintenance program proposals received from subsidiaries, in compliance with approved maintenance budget for this quarter;
 - Prepare proposal for program maintenance first quarter of 2013, with the following values;

Subsidiary	Value first quarter	Value January	Value February	Value March
Bistrita	4,465,970	1,693,420	1,766,000	1,006,550
Buzau	313,443	134,584	109,817	69,042
Caransebes	409,300	145,500	156,900	106,900
Cluj	1,328,850	638,850	468,400	221,600

Curtea de Arges	4,050,000	2,040,000	1,015,000	995,000
Hateg	8,662,930	3,125,365	2,425,365	3,112,200
Oradea	3,249,550	1,204,155	1,236,149	809,246
Portile de Fier	2,519,249	606,583	547,583	1,365,083
Rm. Valcea	3,572,836	876,936	1,415,400	1,280,500
Sebes	225,000	62,400	79,065	83,535
Sibiu	2,635,000	840,000	825,000	970,000
Slatina	3,138,000	821,000	1,209,000	1,108,000
Tg. Jiu	736,000	254,989	236,674	244,337
TOTAL	35,306,128	12,443,782	11,490,353	11,371,993

- Prepare maintenance program for 2013;
 - Meeting with Subsidiaries' representatives (technical manager, Maintenance chief officers) to decide regarding preparation of 2013 maintenance program (registration of works type LN1, LC and MC in all subsidiaries and how to draw up specifications for works at LN3, LN4 and LC);
 - It was decided to continue works of LN1, LN2, MC types and LN3, LN4 and LC which have started in 2012, by Hidroserv subsidiaries, and for new works of type LN3, LN4 and LC to prepare specifications to be auctioned;
 - Centralization, analysis and validation of maintenance program proposals received from Subsidiaries (several versions), in compliance with approved maintenance budget for 2013. Approved values are registered in the table below;

Subsidiaries	Value (RON)			
	TOTAL out of which:	LN1*, LN2, CIV	MC	LN3, LN4, LC
Portile de Fier	17,170,000	4,526,000	800,000	11,844,000
Hateg	13,400,000	800,000	503,426	12,096,574
Caransebes	4,505,319	2,535,519	300,000	1,669,800
Bistrita	17,500,000	5,115,000	750,000	11,635,000
Curtea de Arges**	18,900,000	6,177,584	792,059	846,702
Rm Valcea	18,542,650	6,288,536	488,000	11,766,114
Cluj	11,200,000	4,389,500	600,000	6,210,500
Oradea	10,499,300	2,764,300	525,000	7,210,000

Buzau	8,250,000	1,950,000	200,000	6,100,000
Tg-Jiu	5,950,000	3,445,000	449,200	2,055,800
Sebes	3,680,000	654,443	300,000	2,725,557
Sibiu	6,020,000	2,620,000	640,000	2,760,000
Slatina	9,980,000	2,797,000	610,000	6,573,000
Executive	5,000,000			0
TOTAL	150,597,269	44,062,882	6,957,685	83,493,047

*** the value of this column contains the value of maintenance on building**

****difference to value of 18,900,000 RON represents value made up of 11,083,655 RON fore realized works in 2012 which were not settled.**

- Based on the approved budget values and ways of working established Subsidiaries must prepare the Addendum to the contract framework with Hidroserv subsidiaries for 2013. Values established for this Addendum can be found in the table below:

Subsidiary	Total value (RON)	Value of works in the first quarter and extended to 2013		Amount for outstanding works
		Total	Out of which: LN3, LN4, LC	
Portile de Fier	11,056,000	6,637,500	6,037,500	4,418,500
Hateg	10,533,426	9,808,426	9,230,000	725,000
Caransebes	2,802,419	393,400	15,000	2,409,019
Bistrita	11,855,500	6,905,050	5,992,000	4,950,450
Curtea de Arges	18,041,000	13,525,018	7,311,996	4,515,982
Rm Valcea	10,148,136	5,591,936	4,245,000	4,556,200
Cluj	4,679,000	1,308,450	747,450	3,370,550
Oradea	8,171,900	4,663,052	4,549,318	3,508,848
Buzau	1,630,000	140,125	100,000	1,489,875
Tg-Jiu	4,250,000	736,000	355,800	5,158,200
Sebes	975,000	225,000	20,557	750,000
Sibiu	5,940,000	3,145,000	2,760,000	2,795,000
Slatina	8,597,000	6,118,000	5,880,000	2,479,000
TOTAL	98,679,381	59,196,957	47,244,621	41,126,624

- Set and approved suppliers detailing maintenance works and works-type value LN3, LN4 and LC will be auctioned, according to the following table:

Subsidiary	Value (RON)			
	TOTAL out of which:	Hidroserv	Own resources and third parties	LN3, LN4, LC to be auctioned
Portile de Fier	17,170,000	11,056,000	307,500	5,806,500
Hateg	13,400,000	10,533,426	2,866,574	0
Caransebes	4,505,319	2,802,419	48,100	1,654,800
Bistrita	17,500,000	11,855,500	535,500	5,109,000
Curtea de Arges	18,900,000	18,041,000	859,000	0
Rm Valcea	18,542,650	10,148,136	1,118,600	7,275,914
Cluj	11,200,000	4,679,000	310,500	6,210,500
Oradea	10,499,300	8,171,900	155,000	2,172,400
Buzau	8,250,000	1,630,000	720,000	5,900,000
Tg-Jiu	5,950,000	4,250,000	0	1,700,000
Sebes	3,680,000	975,000	165,670	2,539,330
Sibiu	6,020,000	5,940,000	80,000	0
Slatina	9,980,000	8,597,000	605,000	778,000
Executive	5,000,000			
TOTAL	150,597,269	98,679,381	7,771,444	39,146,444

- Program for February 2013 was prepared, approved by DEN and Hidroelectrica management;

Coordination of ISCIR activities at Hidroelectrica level;

- Consolidate data values achieved in Subsidiaries for VTU for period 31 August - 31 December 2012, according to CNCIR Contract no. 91-31.08.2012
- Preparing documents and centralization from the Subsidiaries, the hours of technical assistance and related values for 2012, according to the Subsequent contract no. 37/06.03.2012 and Framework agreement no. 36/06.03.2012 on Technical Assistance for post warranty equipment in hydropower plants and small hydropower units under SC Hidroelectrica SA administration;
- Centralize reporting under PO-HE-DM-16 5th edition rev. 0, annex 1, 2 and 3, regarding installations under Hidroelectrica administration, functioning according to ISCIR regulations, for second semester of 2012
- Preparing, centralizing data and Acquisitions Program proposal preparation products / services / works / Maintenance funds, to be carried out and completed in 2013.

4. *Development and refurbishment*

A. Development projects

A.1. Development project for 2013

During the month of January, according to a preliminary Budget for 2013 from the 377,974,000 RON were made analyzes and discussions were held with key executives to establish principles and criteria for the allocation of financial funds investment objectives in progress. The estimated value for 2013 for investments of about 377.974 million RON represents a significant reduction compared to previous years (cca. 48, 2% of the Investment Program of 2012 and 26.6% of the Investment Program for 2011).

Under these circumstances, at the date of the present report, it is expected an establishment of financing sources for investment from **depreciation** in the 2013, in the amount of 926 million RON.

Factors taken into account during discussions with contractors and proposals for allocation at investment objectives are:

- a. From **Loans** (127,974 million RON) two investment objectives are financed:
 - Refurbishment of the 5 stations on the Olt Lower River (so far works are completed in 19 groups, one group still under construction). It is estimated that in February 2013 all 20 groups will be completed and accepted;
 - Refurbishment HPP Dimitie Leonida (Stejaru) – Project financed by EBRD, in the phase of organizing the auction for execution. Value estimate is 136 million Euro.
- b. From **Own sources** to finance part of the ongoing investment objectives, observing the following principles and criteria:
 - Providing funding for Maintenance works which have started in 2012 and will be completed in 2013;
 - Works conditioned by draining Gura Apelor Lake and shut off HPP Retezat with completion in April 2013: completion of drilling and injection in the left side veil sealing at Gura Apelor Dam, injection completion of works and fixes the gallery in two sections: Jurii (L = 900 m) and Castel (L = 312 m) in the Safety framework of the main culvert HPP Retezat and completing the works in Putul Netis (ground works);
 - 16 "historic" investment objectives with execution work as BASIC works, temporarily halted in 2013, which most are for 12 months and 3 of them for 3 months;
 - Investment objectives with allocation after 3 months of pause are HPP Racovita, HPP Bretea and HPP Dumitra; is proposed commissioning of HPP Racovita, first group in the fourth quarter of 2013;
 - All 16 "historical" investments will be temporarily stopped and will be assigned for the following types of costs (security, lighting, dewatering) for



open fronts, under execution, that were preliminary estimated and will be negotiated with Contractors;

There were also identified minimum works for the 16 "historical" investments, needed to be done to the current state of execution of the works in order to ensure safe implementation of work performed up to date and ensure the flow sections for work surface located in river valleys;

- c. Taking into consideration **production carried out** by contractors **until 31.12.2012**, with Attachments of Works certificated by beneficiaries and unsettled due to lack of payment source in Development program for 2012. This production executed and unsettled has a value of approx. 154 million RON. It is proposed approval of Situations for all production work performed and settled in 2013 (for which currently only signed Attachments) and look for solutions of payment in 2013 of a quota share of payments due for production executed and unsettled for year 2012, about 50 million RON out of which 154 million RON the amount that will be provided in the Program for 2013.

Above issues have been analyzed in several internal discussions, by Development / Refurbishment Directorate together with company management, but also with key executives, on 24 to 25 January 2013, as follows below.

In the Preamble of discussions with the main five Contractors, Hidroelectrica pointed out the followings:

- Revenue and expenditure budget for 2013 was prepared starting from budgetary constraints due to lack of liquidity;
- It will finance only investment objectives with close putting into service (Racovița, Rastolita, Bretea and downstream scheme);
- After the discussion on the income and expenditure of HE will set the values allocated to each investment objective for 2013;
- The main priority of HE is getting out of insolvency procedure;

A.1.1. Meeting analysis with SC UCM Resita-SA - 24.01.2013

Meeting's conclusions

- Representatives of UCMR and HS will produce an up to date inventory on current contracts for the supply of equipment to HPP Bretea, HPP Pașcani, HPP Căineni, HPP Răstolița, HPP Dumitra and HPP Bumbști, physical status inventory level and value, deadline 15.02.2013;
- Addendums to existing contracts for hydropower equipment supply correlation will be prepared with achievement chart construction of part of the investment targets which are in progress;
- Provide funding for modernization contracts / rehabilitation equipment which are in progress;

A.1.2. Meeting analysis with SC Romelectro-SA - 24.01.2013

Meeting's conclusions

Given those presented above at the meeting, insolvency and forecasted budget for investment works for period 2013 - 2015 have decided the followings:

- Hidroelectrica will present by the end of February 2013 a stock chart with estimated time to complete the procedure of contracting additional work by signing an addendum, as well as inventory and certification work performed and not invoiced;
- Payment for works performed and not invoiced on investment objective Dumitra - Bumbesti Livezeni will spread over the next three years. Managers of SC Hidroelectrica S.A. and SC Romelectro S.A. will negotiate and agree on the payment schedule for the work specified in the preceding paragraph, by signing an addendum.

A.1.3. Meeting analysis with SC Hidroconstructia-SA - 24.01.2013

Meeting's conclusions

Given those presented above at the meeting, insolvency and forecasted budget for investment works for period 2013 - 2015 have decided the followings:

- After completion of Revenue and expenditure budget and the Proposed development program for 2013, Hidroelectrica will transmit values allocated to each ongoing investment objective agreement with Hidroconstructia SA and the list of investment targets that interrupt work in 2013 - Estimated deadline: **28.02.2013**;
- Establishing and negotiating implementing safe work for the investment objectives pausing in 2013 by protocol signed between representatives of Hidroelectrica SA, HS, Hidroconstructia, Planner - estimated deadline: **28.02.2013**;
- Negotiation financial estimates of expenditure for the period of interruption, the lighting, security and each Subsidiary equipments by the protocol concluded between representatives of Hidroelectrica S.A., HS, Hidroconstrucția S.A., Planner - estimated deadline: **28.02.2013**;
- Development and approval of the Development Program based on data established in the previous paragraphs and in other analyzes prepared by the company;
- Preparation of Addendums to all contracts in progress for correlation charts with physical and value assigned values HE Development Program 2013, charts sitting and supply of the equipment - deadline **31.03.2013**;
- Inspection and certification by Hidrocentrale Subsidiaries work situations in any works performed by SC Hidroconstructia S.A. until 31.12.2012, recognized by attachments and for which were not issued invoices due to limitations of Development Program allocated for 2012 - deadline **28.02.2013**;

- Negotiating installment payment for work performed and invoiced in the preceding paragraph. Managers of Hidroelectrica S.A. and SC Romelectro S.A. will negotiate and agree on the payment schedule for the work specified in the preceding paragraph – deadline **31.03.2013**.

A.1.4. Meeting analysis with SC Energomontaj-SA - 25.01.2013

Meeting's conclusions

Given those presented above at the meeting, insolvency and forecasted budget for investment works for period 2013 - 2015 have decided the followings:

- Development Program for 2013 will allocate resources for HPP Racovița PIF priority in 2013, further refurbishment works (HPP on Olt Inferior, PDF II, Lock with reduced rate);
- For other objectives assemble investment works will be linked to the pace of construction;
- Addendums will be concluded to match graphs and mounting with the execution of construction works and supply of hydropower equipment;
- After completion of revenue and expenditure budget HE will set the values allocated to each investment objective in 2013;
- Meetings will be schedule to negotiate costs resulting from interruption of work at some investment objectives;
- Energomontaj will present by **30.01.2013** a situation of executed and works not invoiced, due to lack of funds in 2012 Development Program;
- It will regulate the contractual problems regarding guard in HPP Răstolița until PIF, that has 95 % equipments' installed;

A.1.5. Meeting analysis with SC Constructii Hidrotehnice Iasi -SA - 25.01.2013

Constructii Hidrotehnice Iasi is the contractor for construction works investment objective "HEA Pascani on Siret River".

Meeting's conclusions

- After completion of revenue and expenditure budget and the proposed development program in 2013, Hidroelectrica will pass the value assigned to HEA Pașcani - deadline: **28.02.2013**;
- Establishing and negotiating implementing safe works at the HEA Pașcani in 2013 by protocol signed between representatives of Hidroelectrica S.A., HS, Construcții Hidrotehnice S.A., Proiectant – Estimated deadline: **28.02.2013**;
- Negotiation financial estimates of expenditure for the period of interruption, regarding the lighting, security and equipments for HEA Pașcani by protocol signed between representatives of Hidroelectrica S.A., HS, Construcții Hidrotehnice S.A., Planner - estimated deadline: **28.02.2013**;

- Preparation an addendum to contract for correlation physical graphs and value with the value assigned in the HE 2013 Development Program, assembly work schedules and supply of equipment – deadline **31.03.2013**;
- Inspection and certification by subsidiaries the work situations of any work performed by SC Constructii Hidrotehnice S.A. until 31.12.2012, recognized by attachments and which were not invoiced due to limitations of Development Program allocated for 2012- deadline **18.02.2013**;
- The funds will be allocated from HE 2013 Development Program for partial payment of work performed and not invoiced in 2012.

A.2. COMMANDMENT Raul Mare Retezat – Gura Apelor Dam and main adduction

On 30.01.2013 at Hidroelectrica headquarters, took place the meeting regarding state of the works at Gura Apelor Dam and main adduction to Retezat plant, whose completion of works conditions the filling of the lake starting 01.04.2013.

Were analyzed the following stage works in execution:

- Works Seals veil injections at Gura Apelor Dam
- Definitely works for the main culvert HPP Retezat. Jurii section and section Castle
- Connection to main HPP Retezat. Netis well
- Gura Apelor Dam. Greening and cleaning the lake basin by deforestation rates between 1000.00 - 1072.50 ASL
- Connection to main HPP Retezat. Armour castle L = 204m
- Restore corrosion protection Put and lower house castle balance

The conclusion of the discussion was the following:

Drilling and injections made the Gura Apelor Dam, performed between 2005 to present, were made in terms of quality according to the Project and allow start filling the lake on 01.04.2013. Also, the rest of the works being on the water between upstream outlet of the plant and HPP Retezat, above mentioned, will be completed until 01.04.2013 and provides the conditions for start filling Gura Apelor accumulation water level in the lake over ASL 1030.00 (maximum level reached so far) with increasing levels until 1050.00 ASL, or even 1078.00 ASL (normal retention level as originally designed) and a substantial increase energy production in HPP Retezat.

A.3. MEASURES ADOPTED BY LEADERS OF THE MINISTRY OF ECONOMY – MINISTRY OF EDUCATION

The following reviews were submitted and argued before the Ministry of Energy leadership in January 2013

- a. Financing historical hydropower investment objectives which use the energy component having complex role, namely:
 - a.1. **HEA Făgăraș-Hoghiz.** Accumulation Veneția with HPP Hoghiz;
 - a.2. **HEA Surduc Siriu.** Fall Cireșu-Surduc. Accumulation Cireșu with HPP Surduc; Fall Surduc-Nehoiășu with HPP Nehoiășu II;
 - a.3. **HEA Valea Sadului.** Accumulation Valea Sadului with HPP Valea Sadului, HPP Turcinești, HPP Curtișoara;
 - a.4. **HEA Pașcani.** Accumulation Pașcani with HPP Pașcani;
 - a.5. **HEA Răstolița.** Accumulation Răstolița with HPP Răstolița;
- b. Estimation values of Rest to be executed on 01.01.2013 for 5 hydro power arrangements from point a, and the arrangement on the Jiu River on Bumbesti Livezeni sector.
- c. Note regarding the progress of the works and related proposals and financing mode works after the date of 01.01.2013 to the investment objective "PASCANI HYDROPOWER ARRANGEMENT". The document presented in detail the investment stage on 01.01.2013 and proposed to urgently initiate a Government Decision on Pascani HEA investment objective, historical investment, with complex use, where the energy component has a secondary role and having as main object the establishment of conditions for financing and completion of works under the following conditions:
 - c.1. Recovery of amounts invested by SC Hidroelectrica S.A. in the use for water management, for Pascani accumulation by offsetting Romanian Waters National Administration for the specific contribution of water resources management for economic operators producing hydropower electricity;
 - c.2. Providing funding by SC Hidroelectrica S.A. from own funds for investment related to the use of energy, HPP Pascani only for finding solutions to ensure future investment funding required by the use of water management, e.g. Pascani accumulation, by the beneficiaries of complex functions of water management that Pascani accumulation provide.
- d. Presentation of actions and the correspondence with the bodies involved between 2011 to present period in an attempt to unlock the startup condition problems of two hydroelectric plants: HPP Racovita (IP = 31.5 MW = 70.00 GWh E average / year) and HPP Rastolita (IP = 35.2 MW E average = 94.60 GWh / year):
 - d.1. Commissioning of HPP Racovita (planned to be realized in the third quarter of 2013), is subject to unblock two railway bridges, located downstream of HPP Racovita (bridges with a length of railway service of

100 and 125 years), which according to expertise and studies undertaken by CFR required replacement of the 2 CFR existing railway bridge with a new steel bridge with double railway. Hidroelectrica repeatedly asked MTI for providing financing and related works aiming to achieve HPP Racovita, which refers to the protection and heightening the railway, according to Decree 24/1989. As MTI position, respectively CFR was consistently unfavorable to finding a solution to ensure bridge operation after commissioning of the plant, we asked a favorable opinion from the Ministry of Transport and Infrastructure (MTI) for plant operation Racovita in terms of keeping the current configuration (natural) in the river bed of the railway bridge (about 2.5 km), assuming Hidroelectrica losses of energy of about 28%

d.2. Approval by Government of expropriation corridor due to Hydropower Rastolita. Documentation mention that "expropriation corridor for hydropower Rastolita" was filed by MECBE in February 2012 to promote the GD regarding site and triggering on the approval procedures for expropriation of private properties located in the corridor of expropriation for public utility work "Rastolita Hydropower Arrangement "as Law no. 255/2010 on expropriation for public utility required to achieve the objectives of national, county and local.

Documentation was FAVORABLY endorsed by specialized departments within MECBE currently being submitted for approval to the Ministry of Finance.

Implementation of the work to investment "Hydropower Arrangement " is over 90%, and commissioning is conditional imperative and start clearing the lake basin accumulation in lake after issuing Government Decision for approval to expropriate Corridor.

- e. Submission in January 2013 to the Ministry of Energy documents for issuance of Government to approve the expropriation of land adjacent lane investment objective HEA Pascani on Siret River, according to GD no. 255/2010;
- f. Communication from the Ministry of Economy, Planning and Economic Development Department, as requested by the Ministerial Advisory Council Secretariat of Public Works Investment Objective stage: "Jiu Hydropower Arrangement on Livezeni-Bumbești sector".

B. Refurbishment Projects

Refurbishment works for the month of January 2013 was greatly influenced by the discussions and decisions taken in December 2012 on prioritizing activities.

B.1. Refurbishment Project HPP Stejaru

Following discussions during 03-04.12.2012, at the EBRD in London it was decided to resume the bidding process for HPP Stejaru. Resuming the process mistrial was preceded by the outstanding auction since July 2012 and followed the publication of Auction General Notes to inform the public regarding the opportunity to participate in the auction of all potential contractors, subcontractors, suppliers, etc.

This public notice and information to over 30 potential contractors, led to a series of requests to organize meetings with Hidroelectrica representatives in order to understand the bidding process regarding the insolvency of the company and to express interest in company's future projects, while ensuring the capacity and experience of each contractor give evidence at this time to conduct such a project.

Thus in the period 15-28.01.2013 were scheduled a series of meetings with contractors who have requested such meetings. Meeting agenda consisted of four important points, namely: 1. Presentation of Hidroelectrica situation regarding insolvency process 2. Company Presentation to the potential contractor, 3. Discussion regarding Stejaru process auction - the difference between the two stages without prequalification procedure applied previously and the tender procedure in one stage of prequalification under the new process 4. Presenting Hidroelectrica's future refurbishment projects.

On 15.01.2013 the day started with meeting ABB representatives whose headquarters are in Switzerland and registers 145,000 employees in over 100 countries, generating a year turnover over 35 billion dollars. Company officials representing the Austrian branch said the ABB group can design, supply, install and commission equipment for a hydroelectric power and the special mechanical turbine and its auxiliaries are usually made with a strategic partner with experience in the field of hydro turbines. Company representatives were very interested to participate in the new tender process for rehabilitation of HPP Stejaru, while also manifesting interest for other refurbishment projects that could be launched in the near future.

Day 15.01.2013 proceeds with meeting company representatives of SNC Lavalin - Canada and their partner company Elcomex - Romania. SNC Lavalin has a total of over 28,000 employees and projects in over 120 countries and a turnover of over \$ 6 billion.

Activity in hydro projects totaling over 180,000 MW in different and complex projects. SNC Lavalin with Elcomex has shown interest in participating in the bidding process for HPP Stejaru and for construction of pumped storage power plant Tarnita.



On 16.01.2013, representatives of Koncar - Croatia and those of the Litostroji Company, Slovenia have presented their experience and capability, representing companies with tradition in hydro managing refurbishment of hydropower complex projects such as HPP Stejaru. Both companies showed that possess leading-edge solutions to design, manufacture, supply, install and commission electrical and mechanical equipment necessary for such a project. The two companies have expressed their intention to participate in the bidding process for HPP Stejaru and requested to receive information about other projects of this nature.

On 17.01.2013, Hidroelectrica representatives met Romelectro representatives who also participated together with Alstom from France in the previous auction for HPP Stejaru. Romelectro wanted to mention its high interest for the opportunity to participate in the new tender process with a strategic partner and experience to make a competitive offer from both technically and financially points of views.

It also took place on 17.01.2013 the meeting with Techint - Italy, with a turnover of over \$ 20 billion and over 57,000 permanent employees that has expressed interest in HPP Stejaru refurbishment project and especially showed interest to the pumped storage plant design Tarnita as potential investor.

18.01.2012 hosted the meeting with Franco Tosi Meccanica - Italy, manufacturers of mechanical equipment for hydropower plants, production lines for up to 400MW Francis turbines, Kaplan up to 100MW, up to 150 MW Pelton, bulb up to 20MW and groups to reverse to 250MW. Franco Tosi Meccanica stated that is very interested to participating in the bidding process for HPP Stejaru and more is very interested in working with Romanian companies in hydro services filed.

21.01.2012, the day started with meeting company representatives of Blansko-Czech CKD, the original manufacturer of equipment for HPP Stejaru in 1960. The company is now part of the Russian Tyazhmash group with a total of 7,200 employees and a turnover in 2011 of over \$ 300 million. CKD Blansko with an experience of over 100 years in manufacturing turbines and hydro mechanical equipment for hydro plants presented a series of new and refurbishment projects that are geared at the moment internationally.

21.01.2013 was the date of the meeting representatives of Voith Hydro Austria who has expressed interest to participate in the new tender process after the company submitted in previous technical offer and tendering process. Voith Hydro also often expressed interest in other future refurbishment projects for construction of new hydro projects. Voith Hydro wants to mention that they want to develop in Romania on maintenance services market in the hydropower sector and they want to attract a strategic partner in this respect.



On 24.01.2013 had a meeting with representatives of the Bulgarian company Elprom ZEM who have shown an interest in HPP Stejaru Refurbishment project and for other refurbishment projects in progress. The company has over 60 years of experience in manufacturing and hydro rehabilitation.

Starting 01.07.2013, Refurbishment Department together with project team members from HS Bistrita, have began updating specifications and tender documentation for the Refurbishment Project HPP Stejaru considering new procedure agreed with the EBRD for contracting works. Current procedure is to be open public tender in one of pre-qualification stage. Previous bidding process consisted of two stages open public tender without prequalification.

On January 10, 2013 was finalized and approved the prequalification documents after which it was subject to approval by the EBRD and the date the agreement without objection on 11.01.2013.

On 25.01.2013, was launched prequalification stage award procedures provided by Refurbishment Project HPP Stejaru. Prequalification invitation was published on the Hidroelectrica website, EBRD website, in the journal of European Union, in Bursa and Ziarul Financiar. Also were sent invitation for prequalification to approximately 300 worldwide companies, active in the hydropower field and to the embassies in Romania. More than 300 companies registered in the database of the department are potential refurbishment contractors, subcontractors, suppliers and consultants.

Starting 25.01.2013, prequalification documentation was submitted electronically, free of charge, to all companies who have applied.

B.2. Refurbishment Project Romanian Lock Portile de Fier I

In January 2013, refurbishment works at Romanian Lock Portile de Fier I, continued to pace imposed by the execution schedule.

Several scenarios to slowdown works were also analyzed, considering revamping the proposed budget cuts for new investment projects in progress. These scenarios were discussed with both the general contractor and subcontractors and execution had considered the minimum necessary to ensure navigation on the Danube in conditions of maximum security.

In the next period the Parties shall decide regarding optimal running of the Romanian Lock refurbishment works, according to the final version of investment budget for 2013.

To ensure ship movements, given the provisions of the Convention on 18.08.1948 and agreements between riparian states regarding traffic on the Danube, the Joint



Commission, Romano-Serbian, decided rehabilitation locks on both sides of Hydropower and Navigation System Portile de Fier I.

Refurbishment Project of Roman lock PdF I appeared necessary because of the physical and moral wear of equipment, seriously affected due to functional characteristics. By GD 956/2004 were approved the technical and economic indicators of the investment objective "Rehabilitation works of the Roman locks Hydropower and Navigation System Portile de Fier I";

Thus, in June 2006, Hidroelectrica concluded in open public auction, refurbishment contract with the winner - S.C. Romenergo S.A.

After upgrading equipment lock novels was obtained increase traffic capacity from 12.8 million tons / year to 35 million tones per year, increasing the availability lock from 232 days / year 320 days / year improvement in average length of sluicing 145 minutes to 75 minutes.

By GD 956/2004 has been provided that the work will be financed from own Hidroelectrica sources, loans raised and money from the state budget. Amount expected to be provided from the state budget, 88 million RON in 2004 prices, representing 43% of the general estimate of the work.

However, to date, the funds was made exclusively by Hidroelectrica own sources and contracted loans. In September 2012, in November 2012 and December 2012, Hidroelectrica requested the Ministry of Economy allotment of updated amounts specified in GD 956/2004 and last updated general estimate. Until now there is no response received from the Ministry.

B.3. Refurbishment Project Olt Inferior

After commercial reduction of approximately 20 million applied to amounts recorded in creditors table, negotiated by the receiver in December 2012 with firms Voith Hydro and Andritz Hydro contractor revamping of the 20 hydro located on the Olt Lower River, in the month of January 2013 revamping continued execution on schedule.

In mid-January 2013 were completed electrical and mechanical tests on the top of the cascade hydropower refurbished on Lower Olt. It started installing a device lock rotation and rotating parts of the machine to serve later maintenance services, following that in February 2012 to carry out commissioning and commercial operation of the last entry refurbished hydro aggregate.

Starting 28.01.2013, continued discussions on SCADA and Remote Control Dispatch Center at Slatina, a system that allows remote monitoring and control of all 20 refurbished hydro aggregates.

The project of rehabilitation of 20 hectares on the Olt Lower River, the largest project of this nature of Hidroelectrica, has appeared necessary due to serious technical problems and high maintenance costs.

The contract was awarded in 2004, to Voith Siemens consortium led by Hydro Power Generation (now Voith Hydro), following GD. 1599/2003 - which provide direct custody of the works to this consortium.

By upgrading were obtained: increasing the power available in turbine mode about 55% from 185 MW to 285 MW, increasing available power pump system from 0.0 MW to 200 MW and mean power output increased by approximately 75 % from 512 GWh / year to 944 GWh / year.

The refurbishment project is now 95% completed in the last hydro aggregate refurbished and will be put into operation in February 2013. In December 2012 was put into operation, after upgrading, hydro no. 19 located in HPP Izbiceni, last hydroelectric plant built on the Olt Lower River, located near the confluence with the Danube River.

B.4. Refurbishment Project HPP Lotru-Ciunget

In January 2013 the group continued operation and tracking behavior retrofitted under warranty period.

We remind you that on 13.12.2012, the Legal administrator and Hidroelectrica representatives agreed, by signing a bilateral agreement with Voith Hydro, a reduction of 10% of all penalties due to non-payment of VAT at the time for execution of the works in the Refurbishment project HPP Lotru-Ciunget.

Refurbishment works at HPP Lotru-Ciunget, largest hydropower plant on the inland rivers of Romania, have began in 2007 and were completed in early 2011 and is 80% funded by the World Bank through a loan Euro 66 million. Currently refurbished equipment of hydroelectric power plant Lotru Ciunget is under warranty period contract.

B.5. Refurbishment Project HPP Portile de Fier II

January 2013 marked a turning point in the contract for refurbishment of the Portile de Fier II, given that on 31.01.2013 the Legal Administrator - Euro Insol denounced Phase III of the Contract (Amendments 4 and 6) which involved upgrading Gogosu hydropower plant.

Refurbishment works for HPP Gogosu were contracted in 2003 by signing two addendums to the contract for the refurbishment of Portile de Fier II plant signed in 2001.

Adaptation and application of contractual price adjustment for works contracted in 2003 and expected cost of additional works to ensure energy and operating parameters, has led to a significant increase in value contracted in 2003, with about 30%. These costs would adversely affect Hidroelectrica property. Thus the initial contract value of 54 million Euro reached through an artificial calculation the value of 71 million Euro and did not take account of the evolution of world prices for such services. Increasing the value of the contract is even more unacceptable in relation to the advance of 13.6 million Euros that Hidroelectrica paid in 2003 which was capitalized in the 10 years since the signing of the contract to contractor. Increase value of 17 million euro contract cannot be recognized by the Legal Administrator as long as, at the time of concluding the contract and up to the time of his termination, have passed over 10 years without the entrepreneur to have started revamping the two aggregates of HPP Gogosu. If we accept the increase value of the contract, we will get a price of upgrading per MW of 1.3 million Euros, 7 times higher than the price paid to the same consortium for upgrading HPP in Lotru, which meant 174,000 Euro per MW. This is the difference between a contract awarded directly - Gogosu Plant and a contract awarded in a public bidding, funded by the World Bank - Lotru Plant.

In August 2012, the Legal Administrator asked the contractor Andritz Hydro to participate in discussions and negotiations on reducing the amount registered at the commercial and credit amounts for the remaining work performed under Refurbishment contract for HPP Portile de Fier II (8 HA) and HPP Gogosu (2 HA).

In the period August to December 2012, the parties held a series of discussions and exchanged correspondence on trade discounts to facilitate completion of works at the HPP PDF II and additional plant in Gogosu. For December 2012, the Legal Administrator requested a new round of talks aimed at finding an amicable solution for further refurbishment works.

Thus, the Legal Administrator and Hidroelectrica representatives, requested the Contractor to grant commercial discount to reflect reasonable prices for both parties, reported in today's market conditions or concluding an addendum to the contract by which the parties agreed to stop the execution of refurbishment in the contract and the Refurbishment project of HPP Gogosu to undergo open public tender procedure in order to ensure the correct price.

By the end of January 2013, Contractor failed to propose feasible solutions to reduce the amount necessary to complete commercial refurbishment works at HPP Gogosu so as to ensure favorable conditions for both sides to continue the work.

Given the above, the Legal Administrator decided termination of phase III - Gogosu of the refurbishment contract in PDF II on 31.01.2013. This decision, along with others of the same nature, were necessary in order to maximize Hidroelectrica properties that could propose a viable reorganization plan, leading to the company's termination of insolvency.

5. *Integrated Management System Activity*

A. Safety activity and Health at Work Domain (level 2 process with 2 components: worker safety and health)

On 18.01.2013 Labor and Occupational Health Safety Management Committee meeting took place where were approved: Protection and prevention plan and schedule expenditures for the year 2013 for Hidroelectrica executive; Action Plan OSH centralized Hidroelectrica (Executive branch) training program OSH specialists from Hidroelectrica, reducing endowment PPE individual varieties that were given 2 pcs/12 months at 1 pcs/12 month in the context of the acquisition of PPE through a framework agreement for 4 years. During the meeting, hearing was conducted on training framework program and specification for centralized water and mineral water purchasing.

By initiating a 4-year framework agreement for PPE acquisition will ensure strict requirements on sizes and types of equipment within the command specified in subsequent annual contract to the framework agreement, which will lead to lower inventories and reduced costs for this acquisition which was estimated spending cuts with 226,689 RON for 2013 and 990,788 RON for four years.

Specific activities undertaken by Hidroelectrica to keeping control measures in prevention and protection plan and adoption of preliminary efficiency measures and future costs were centralized and analyzed the physical state and the cumulative value of OSH measures for November 2012.

As a result of monthly monitoring, systematic OSH measures taken, physical and value, and comparative analysis with the procurement plan, the total expenditure for OSH activities planned for the year 2013 were reduced by 4.396.015 RON to the planned values for 2012 and with 5.216.395 RON to the values planned for 2011 (2013: 7.450.447 RON, 2012: 11.846.462 RON and 2011: 12.666.842 RON).

All the communication and information requested by the Labor Inspectorate and the Labor Inspectorate were provided, and they did not report non-compliance of the activities in January 2013.



To prevent work related travel events under specific conditions during cold season, was developed and released in Hidroelectrica a series of statement of the measures that must be taken in these situations.

In order to ensure sufficient and appropriate periodic training OSH prepared in December 2012 by a team of specialists in the field of OSH and executive branches, a training program for Hidroelectrica workers framework OSH. The program was approved and released in early January 2013. Under current legislation and IMS documentation, given the approved training program was developed, approved and disseminated OSH training topics for specific jobs and functions of the Hidroelectrica executive and documents are available on the Hidroelectrica webiste.

In early January 2013 has been conveyed to HE (including subsidiaries) the contract signed for medical examination services to employees. It was organized periodic medical examination and proper implementation of these services has established a unified form that would require medical investigations by the provider. The contract is ongoing and required emergency appointments for medical examination at the units that expired or will expire in January (Executive, HS Hațeg, HS Portile de Fier, HS Caransebes, HS Sibiu). In order for conducting the contract was drafted and submitted for approval to the General Manager the Convention for safety, health and environmental protection, agreed with the provider.

Following an epidemiological investigation request received from Respiratory Hospital "Sf. Stefan" that communicates that an employee of the Hidroelectrica executive was hospitalized for "TBC - infiltrative active form" has been initiated by the occupational health service care provider (CM Romar) the epidemiological analysis of the entire Hidroelectrica executive staff in the building. This review is the written request of family doctor of each employee to issue a certificate with epidemiological results. Distribution of each worker in Executive HE was made by IMS service staff.

Environmental Protection Activity

For Joint Implementation Projects (JI) realized based on art. 6 of the Kyoto Protocol, which ended at the end of 2012:

- Has prepared a "Statement of revenue and expenditure for 2013 JI projects" (rest and income payments made during 2013 following the performance in 2012), which was sent to Economic Department;
- Were issued the three bills that were sent to Dutch partners in order to collect amounts from emission reduction units generated during the period 1 January to 30 November 2012, which were verified and transferred to the Netherlands at the end of 2012;



- Wrote email correspondence with NL Agency representatives on the content of invoices, checking reports issued by TUV SUD and KPMG and VAT registration number;
- The request was made by the Directorate for Strategy and International Cooperation for issuing invoices in RON equivalent to the Euro amounts and have provided all necessary information;
- Received 4 invoices issued by TUV SUD for subsequent contract no. 98/2012 and contract no. 146/2012, verify them, and accept to pay amounts and were submitted for payment to the Economic Department;
- Telephone discussions were held with the Ministry of Environment regarding the European Commission Decision on art. 11b of Directive 2003/87/EC as amended by Directive 2004/101/EC, which establishes a system of emissions trading in greenhouse gas emissions of the Community point of view, asking for permission to check and transfer amount of ERU realized in December 2012, because (according to Directive) have verified emission reductions achieved during the longest possible of 2012 (1.0101÷28-30.11.2012) and were transferred by the end of 2012. Currently we are waiting for the EC answer on the Ministry's request and will notify all JI projects.

Regarding the legal requirements of environmental protection, the following actions were taken in the IMS service:

- Communication and advise on HS Oradea regarding control from Environmental Guard of General Committee in Bucharest, held on 16 - 17 January 2013 at 4 hydropower plants;
- HS Oradea advice on identifying groups of dead fish downstream of the Tileagd Dam; HS Oradea announced Guard Environment – Bihor, Administrația Bazinală de Apă Crișuri Oradea, Environmental Protection Agency Bihor, who carried out checks on the spot and took samples of water.
- On 17.01.2013 was reported in the middle Danube existence of patches of oil polluting product whose source is unknown. They respected environmental legal requirements and operational procedures for informing policy makers intervened to remove the pollutant, were sampled;
- For compliance with Law 211/2011 have requested information from the subsidiaries regarding decision for appointing a person responsible for waste management and training in its field, elaborating the records of these people. Since in most subsidiaries, waste officers are inspectors / environmental managers, given changes in personnel structure, should be resumed and ensured proper training according to the legislation.
- For compliance with Law 104/2011 on air quality and the Order 3299/2012 regarding the methodology for reporting emissions inventories pollutants Legal Service was asked to obtain legal documents (in HE was not found the Official Gazette and Legis software application has not been updated). We studied and analyzed legislation and requested legal advice on implementation within Hidroelectrica and will make a briefing to the General Manager on legal requirements and their implementation needs and a request for clarification by



- NEPA on how recording and reporting. Currently, subsidiaries were asked to carry out a data analysis and finding a way to polluting facilities reporting unit and correlated with other environmental reporting (e.g. environmental fund).
- For compliance with Order 175/2005 as amended by Order 1918/2009 the branches were asked to prepare and send environmental reports, which were centralized and processed data transmitted from the branch and was prepared and submitted to the Ministry of Economy, the annual reporting data on environmental activities for 2012, including: state environmental permits and programs of actions, measures to prevent and / or limit environmental impact, costs for environmental nature works, waste records related codes as GD 856/2002, environmental issues and the level of compliance with legal requirements.
 - Updated the existing environment database in the data reported by IMS Service branches, including posting new environmental permits obtained by the subsidiaries (eg HS Oradea) in the environmental forum on the Hidroelectrica website.

Quality Management

All activities in January are actions prior to the establishment of the Integrated Management System structure and its documentation, for developing a coherent framework for document development IMS adapted to new requirements and new organizational structures.

Updated the IMS Policy in Romanian and English, was signed by the General Manager, was sent to the executive subsidiaries and was scanned and posted on the Intranet and Hidroelectrica website. It was also displayed on all floors of HE offices.

It was updated in the context of organizational change, the decision no. 736/2013 appointing HE Management Representative, was scanned, shown on the Intranet, to be sent both to the executive and in Hidroelectrica subsidiaries.

For an easy and faster access to all documents IMS, to the list of documents in force were created links (hyperlinks) which leads you directly to the document in the list. This will be achieved and forms used in HE after forms will be redefined and the documents they generate or separated.

Given the new organizational structure based on HE map processes resulting from the ERP project was developed version 11 level of Process map at level 0 and sent to decision makers to upgrade Level 2 processes and associated procedures to be developed or updated. It was determined the type of logical flow charts and responsibilities matrix type to be used for processes on each level.



We have developed several models to document processes level 0 and level 1 processes, so as the hierarchy of processes to be adapted to new requirements imposed by the result of ERP project yet to be kept important information from process sheets. Complement these models attempted to validate the adequacy and possible completion. To be determined, the levels most appropriate documents, complete and easy to complete. Models have been developed for logical flow charts for process level 0 and 1.

Two proposals were developed for Internal training program and 2 for Internal training Theme in MC, for the year 2013, which will be analyzed and will decide the final shape in accordance with the program of work on field.

Risk Management

In the context of risk management takeover activity was self-produced a theme for a person from the ISM Service station environmental inspector who has come standards SR ISO 31000:2010_Risk Management. Principles and Guidelines SR EN 31010:2011_ Risk Management. Risk assessment techniques. Based on the requirements of these standards is working on a draft procedural framework governing the risk management process in HE.

IMS Intern Audit

To achieve monitoring report of internal IMS audit activity for HE (executive and subsidiaries) since 2012, the following activities were conducted:

- information were collected regarding the implementation of corrective actions, preventive actions and areas of improvement resulting from internal audits carried out in Executive in 2012;
- Had requested information from the Human Resources Planning and Development Department on the status of internal auditors participation of executive training courses in 2012;
- Were processed and centralized data and information obtained, achieving partial report monitoring internal audit process at the IMS executive level;
- Were verified monitoring reports submitted by subsidiaries HS Buzau, HS Caransabes, HS Curtea de Argeş, HS Oradea, HS Rm. Vâlcea, HS Sibiu, HS Tg. Jiu ans were requested additional information from: HS Buzău, HS Caransebeş, HS Curtea de Argeş, HS Oradea.

In order to achieve annual assessment of IMS internal auditors:

- Requested all internal auditors of HE to update personal files with Europass CV, updated record sheets audits in HS evidence of external audits;
- Have checked the data and information were submitted and will be centralized, analyze the criteria and prepare a list of auditors to be assessed by levels of qualification (audit team leader, auditor, auditor training);

- Have prepared, approved and distributed self program for internal auditors and the theme of self-HE;
- Was prepared, approved and distributed literature on the topic and benchmark testing;
- Variants were developed for assessment test questions by level of qualification;
- To set test mode by e-mail, were instructed to work and achieve a simulated assessment test, so testing on all auditors are trained and know how to complete tests.

For preparing internal audit program for HE IMS 2013, was asked internal auditors to perform audit readiness and planned annual leave periods.

We analyzed the external audit framework agreement and the subsequent contract year, and the situation of external audits in the last 5 years at subsidiaries, and concluded that in 2013 will be audited externally: the HE executive and 2 subsidiary Bistrita and Slatina.

6. **Acquisition procedure**

A. Impairment of contracts in progress at this time

After negotiations, were reduced residual values of ongoing commercial contracts within Hidroelectrica, drafting into this addenda thereto. Value reductions resulting from addenda approved by the Hidroelectrica executive since entering insolvency until now, spread over subsidiaries is in value of 226,229,110 RON (423 addendums) of the

- From investment funds : 115.024.632 RON
- Maintenance funds: 96.826.864 RON
- Other funds: 14.377.614 RON

Other discounts:

Subsidiary	Number of contracts	Initial value	Rest to be executed	Value of discount	Final value
Executive	20	28,020,226	7,256,154	984,285	27,035,940
HS Bistrita	54	663,766,662	607,833,615	62,909,120	600,857,543
HS Buzau	19	317,653,034	280,173,653	18,536,525	299,116,509
HS Caransebes	24	300,454,127	242,611,436	14,082,700	286,371,427
HS Cluj	29	536,829,757	456,004,172	25,109,989	509,504,339
HS Curtea de Arges	63	98,327,321	28,270,677	5,727,085	92,600,236
HS Hateg	46	291,841,919	212,177,911	17,115,559	274,726,361
HS Oradea	21	92,318,141	78,621,320	28,229,442	64,088,699
HS Portile de Fier	21	104,321,152	40,711,402	19,185,875	85,135,275
HS Ramnicu Valcea	20	73,388,380	38,949,406	6,961,537	66,426,843
HS Sebes	21	126,444,464	77,485,692	7,478,472	118,961,510

HS Sibiu	49	306,910,980	175,278,740	9,846,500	297,064,480
HS Slatina	18	68,113,742	21,016,045	7,225,167	60,888,575
HS Targu-Jiu	18	182,403,083	44,394,966	2,836,855	179,566,228
Total	423	3,190,792,988	2,310,785,187	226,229,110	2,962,343,964

a) Contracts from investment funds:

Subsidiary	Number of contracts	Initial value	Rest to be executed	Value of discount	Final value
Executive	7	14,103,201	3,138,360	460,737	13,642,464
HS Bistrita	26	586,992,623	548,147,172	38,210,380	548,782,243
HS Buzau	10	289,243,940	270,043,811	13,596,260	275,647,680
HS Caransebes	14	288,568,842	235,441,893	11,832,276	276,736,566
HS Cluj	18	514,920,382	446,474,756	22,475,732	490,229,223
HS Curtea de Arges	12	49,210,592	17,471,207	1,141,873	48,068,718
HS Hateg	13	237,607,741	184,701,629	10,066,499	227,541,242
HS Oradea	8	39,715,616	37,916,083	2,460,123	37,255,493
HS Portile de Fier	8	21,531,405	3,271,168	309,793	21,221,612
HS Ramnicu Valcea	3	20,042,453	3,958,076	197,903	19,844,550
HS Sebes	10	104,242,393	64,881,956	3,919,846	100,322,547
HS Sibiu	19	295,752,959	170,927,313	8,649,700	287,103,259
HS Slatina	8	27,292,352	6,251,718	354,106	26,938,246
HS Targu-Jiu	10	164,399,426	36,288,467	1,349,403	163,050,022
Total	166	2,653,623,924	2,028,913,610	115,024,632	2,536,383,864

b) Contracts from maintenance funds:

Subsidiary	Number of contracts	Initial value	Rest to be executed	Value of discount	Final value
Executive	1	414,413	414,413	41,441	372,972
HS Bistrita	6	64,802,147	47,906,187	21,403,324	43,398,824
HS Buzau	2	21,324,000	7,201,070	4,237,741	17,086,259
HS Caransebes	5	11,689,313	7,003,866	2,235,768	9,453,545
HS Cluj	1	20,179,600	9,115,491	2,608,729	17,570,871
HS Curtea de Arges	5	37,276,274	7,687,878	3,086,099	34,190,175
HS Hateg	2	51,826,632	26,179,200	6,857,723	44,968,910
HS Oradea	4	35,415,011	27,321,917	20,598,575	14,816,436
HS Portile de Fier	5	76,146,821	34,307,889	18,593,101	57,553,717
HS Ramnicu Valcea	1	43,187,987	25,940,637	5,109,551	38,078,436

HS Sebes	2	14,227,364	9,175,921	3,077,067	11,150,297
HS Sibiu	3	9,667,830	3,277,807	1,059,750	8,608,080
HS Slatina	2	38,750,000	13,438,720	6,516,000	32,234,000
HS Targu-Jiu	1	16,800,000	7,311,113	1,401,994	15,398,006
Total	40	441,707,393	226,282,109	96,826,864	344,880,527

c) Other funds:

Subsidiary	Number of contracts	Initial value	Rest to be executed	Value of discount	Final value
Executive	12	13,502,612	3,703,381	482,107	13,020,504
HS Bistrita	22	11,971,892	11,780,256	3,295,416	8,676,476
HS Buzau	7	7,085,094	2,928,771	702,524	6,382,570
HS Caransebes	5	195,972	165,677	14,656	181,316
HS Cluj	10	1,729,774	413,925	25,528	1,704,246
HS Curtea de Arges	46	11,840,455	3,111,591	1,499,112	10,341,343
HS Hateg	31	2,407,546	1,297,082	191,337	2,216,209
HS Oradea	9	17,187,515	13,383,320	5,170,744	12,016,770
HS Portile de Fier	8	6,642,926	3,132,344	282,980	6,359,946
HS Ramnicu Valcea	16	10,157,940	9,050,693	1,654,083	8,503,857
HS Sebes	9	7,974,707	3,427,815	481,559	7,488,666
HS Sibiu	27	1,490,191	1,073,620	137,050	1,353,141
HS Slatina	8	2,071,390	1,325,607	355,061	1,716,329
HS Targu-Jiu	7	1,203,658	795,385	85,458	1,118,200
Total	217	95,461,671	55,589,468	14,377,614	81,079,573

These statements were obtained with centralized computer application "Addenda reduction" available on the Hidroelectrica intranet. In this application was completed addenda data on the reduction of contracts by all hydropower subsidiaries.

In this application was additionally introduced a section dedicated to other types of spending cuts, which come from reducing the value of commercial contracts, for example, approved necessary papers to a value lower than required, reducing rents on various facilities, negotiating new contracts signed, waiver of claims in the amount of credit supply, etc....

The total value of the savings to date is in amount of **96.810.263 RON**.

Other discounts:

Subsidiary	Initial Value	Final Value	Value of Discount
Executive	297,037,123	200,441,657	96,595,466
HS Bistrita	70,000	55,097	14,903
HS Buzau	385,694	292,400	93,294
HS Curtea de Arges	15,000	7,500	7,500
HS Hateg	45,687	17,243	28,443
HS Oradea	66,600	50,400	16,200
HS Portile de Fier	84,985	70,732	14,253
HS Ramnicu Valcea	88,848	79,963	8,885
HS Sebes	57,705	46,445	11,260
HS Sibiu	67,037	60,488	6,549
HS Targu-Jiu	117,010	103,500	13,510
Total	298,035,688	201,225,426	96,810,263

These data obtained with the help of computer application "Addenda reduction" are ongoing at this time. It was completed technical application that centralizes income from other activities (rents, concessions, etc ...) and is updated the state of input on these contracts.

d) Current actions undertaken by Commercial Directorate:

- 1) Making public procurement procedures in the annual program of the Hidroelectrica Executive.
 - a) Open Auction "HEA Siriu-Surduc. Surduc – Nehoiasu Section. Stage I (one group of 55 MW). Procurement of equipment and technical assistance for installation, commissioning and acceptance"- Address to NARMPP to clarify the situation regarding restitution tender guarantee;
 - b) Three subsequent contract negotiation services "Microsoft Enterprise Services Recreation Renewal" - Contract signed with SC NESS ROMANIA SRL, signed and submitted to the beneficiary;
 - c) Negotiation without prior publication of a contract notice in SC CS ROMANIA SA for contract services, technical support, maintenance and functional extensions for application with modules: Technical Management, Energy Supply and Eligible consumers "- the contract being signed by the economic operator (value of discount from the estimated value: 237,892 RON, 35%);
 - d) Negotiation without prior publication of a contract notice for the contract with SC ISPE SA "Dielectric Measurements - GD 3 Mariselu" procedure in



- progress report under signature (estimated value: 10,000 RON, negotiated value 9800 RON);
- e) Negotiation without prior publication of a contract notice for the contract with SC ISPH SA "Study on value revamping in HPP Gogosu in 31.12.2012 prices" procedure in progress report under signature (estimated value: 95,000 RON, negotiated value 90,000 RON discount 5%);
- 2) Endorsement and approval documentation for the award by drawing Common Notes and Decisions on starting the branch acquisition procedures in their annual programs under the procedures, decisions and internal rules available at this time.
- 3) Making acquisitions of goods and services at central level to meet the needs of all branches as follows:
- Open tender for awarding the "Paper for Printers, Photocopiers and Plotters" - Contract with SC Top Office Ltd signed and sent to beneficiary department (estimated value: 283,508 RON, contracted value: 264.037 RON - 7%);
 - Open tender for awarding the "Revaluation of tangible assets of Hidroelectrica private property" - Contract with SC ROMCONTROL SA signed and submitted to the beneficiary (estimated value: 1,000,000, contracted value: 750,000 RON, - 25%);
 - Negotiate subsequent contract for 2013 with the National Agency for Meteorology for the contract "forecasting services" - Contract signed with the National Agency for Meteorology and sent to the beneficiary for the performance. (Negotiated reduced prices to CPI indexation - 4.5%);
 - Negotiate subsequent contract for 2013 with the National Institute of Hydrology and Water Management for the contract "services hydrology and water management" - Contract signed with the National Institute of Hydrology and Water Management and sent to the beneficiary in the performance. (Negotiated reduced prices to CPI indexation - 4.5%);
 - Open tender for the contract "RCA and CASCO insurance required to be renewed in 2013 for cars" - introduced in SEAP tender documentation, for approval by NARMPP.
 - Direct Purchase "Pest control services" - the procedure in progress, opening bids 07.02.2013.
- 4) In the process of centralization and preparation of documents in order to achieve these centralized procurement:
- Cleaning Services
 - Paintwork
 - Lighting
 - Vehicle Maintenance and Repair Services
 - Writing
 - Tires
 - Personal protective equipment

- Fire Extinguishers
- Computer technology
- Medicines and medical supplies
- Water

5) The delegation of competence for organizing and carrying out the procedures performed centrally for all subsidiaries needs by subsidiaries that have the largest share of acquisitions and subsidiaries that have specially trained staff in order to draw up specifications. At evaluation committees will be present also representatives of the HE executive.

- Acquisition of "Sanitary hygienic materials" delegate to be conducted by HS Portile de Fier - recovery competent waiver decision in accordance with the new structure and the new funds approved.
- Acquisition of Varnish and Paint will be delegated HS Arges.

6) Centralized scheduling deliveries for executive-level HE contracts undertaken by subsidiaries in respect of:

- Bulk diesel for heating and generating sets
- Fuel - vouchers
- Mineral oils
- Meal tickets

7) Prepare „Annual program of public procurement for 2013” for Executive of SC Hidroelectrica SA.

8) Given that Hidroelectrica is in insolvency proceedings, upon the request of the beneficiary were denounced public procurement contracts.

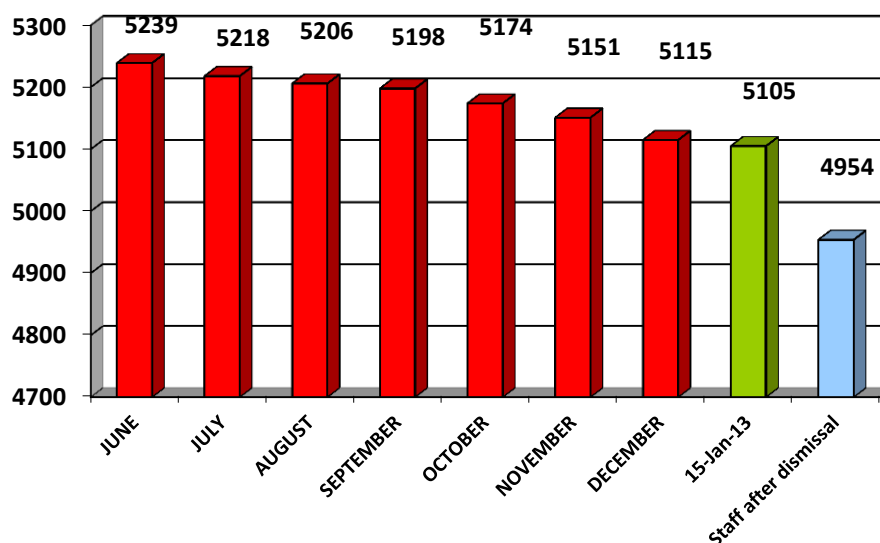
At this point, at request of Dir. TIC is being in denunciation procedure for the following contracts:

- CDMA mobile services concluded with SC Telemobil Ltd
- Technical support Microsoft Premier-signed with SC Power Net Consulting SRL

7. ***Company personnel and organizational restructuring***

On 15.01.2013 Company registered a total number of 5,105 employees compared to 5,115 employees as were registered on 31.12.2012 or 5239 employees from the opening of insolvency procedure. Of these, 151 employees were given notice of redundancy and Predictability, according to insolvency Law, Article 86, paragraph 6 and will leave the organization within 15 days from the communication of the notice. The number of existing employees after layoffs will be of 4954, number that corresponds to organizational chart approved by Legal Administrator on 16.01.2013.

Throughout the period June 2012 - January 2013 we can observe a downward trend in the number of Hidroelectrica SA staff:



Downward trend of staff and branches is presented below:

NO.	SUBSIDIARY	EXISTING PERSONNEL 21.06.2012	EXISTING PERSONNEL 31.07.2012	EXISTING PERSONNEL 31.08.2012	EXISTING PERSONNEL 30.09.2012	EXISTING PERSONNEL 31.10.2012	EXISTING PERSONNEL 30.11.2012	EXISTING PERSONNEL 31.12.2012	EXISTING PERSONNEL 15.01.2013 before reorganization	EXISTING PERSONNEL after dismissal
1	BISTRITA	595	593	593	590	590	586	583	581	562
2	BUZAU	344	344	344	343	338	338	338	338	327
3	CARANSEBES	195	196	196	196	195	193	192	193	190
4	CLUJ	317	314	311	310	309	308	298	299	290
5	CURTEA DE ARGES	666	663	661	660	661	659	657	658	642
6	HATEG	357	354	354	352	353	350	347	343	342
7	ORADEA	290	289	288	288	287	287	286	285	284
8	PORTI DE FIER	487	485	484	485	477	474	474	474	461
9	RM VALCEA	552	554	553	552	551	548	547	544	531
10	SEBES	241	240	240	241	240	240	238	238	237
11	SIBIU	316	314	314	313	312	309	307	308	301
12	SLATINA	328	328	326	325	324	324	324	323	315
13	TG JIU	285	285	285	285	284	284	279	278	261
14	EXECUTIV	260	259	257	258	253	251	245	243	211
	TOTAL	5233	5218	5206	5198	5174	5151	5115	5105	4954

The main causes of decline are natural reasons (old age pensioners, early or anticipated retirement, death).

In January 2013 a total of 14 employees left Hidroelectrica and were recorded four entries representing transfers of employees between Hidroelectrica units. The situation on subsidiaries is as follows:

NO.	SUBSIDIARY	EXISTING PERSONNEL 21.06.2012	EXISTING PERSONNEL 31.07.2012	EXISTING PERSONNEL 31.08.2012	EXISTING PERSONNEL 30.09.2012	EXISTING PERSONNEL 31.10.2012	EXISTING PERSONNEL 30.11.2012	EXISTING PERSONNEL 31.12.2012	EXISTING PERSONNEL 15.01.2013 before reorganization	EXISTING PERSONNEL after dismissal
1	BISTRITA	595	593	593	590	590	586	583	581	562
2	BUZAU	344	344	344	343	338	338	338	338	327
3	CARANSEBES	195	196	196	196	195	193	192	193	190
4	CLUJ	317	314	311	310	309	308	298	299	290
5	CURTEA DE ARGES	666	663	661	660	661	659	657	658	642
6	HATEG	357	354	354	352	353	350	347	343	342
7	ORADEA	290	289	288	288	287	287	286	285	284
8	PORTI DE FIER	487	485	484	485	477	474	474	474	461
9	RM VALCEA	552	554	553	552	551	548	547	544	531
10	SEBES	241	240	240	241	240	240	238	238	237
11	SIBIU	316	314	314	313	312	309	307	308	301
12	SLATINA	328	328	326	325	324	324	324	323	315
13	TG JIU	285	285	285	285	284	284	279	278	261
14	EXECUTIV	260	259	257	258	253	251	245	243	211
	TOTAL	5233	5218	5206	5198	5174	5151	5115	5105	4954

Causes that led to decline of the number of personnel

1. Declining from natural reasons (retirement due to age limit, early or partial anticipated retirement, death).

In January 2013 a total of 14 employees left Hidroelectrica and were recorded four entries representing transfers of employees between Hidroelectrica units. The situation on subsidiaries is as follows:

No.	SUBSIDIARY	Existing personnel on 21.06.2012	Existing personnel on 31.12.2012	Existing personnel on 15.01.2013, before reorganization	Outputs January 2013	Inputs January 2013
1	BISTRITA	595	583	581	2	0
2	BUZAU	344	338	338	0	0
3	CARANSEBES	195	192	193	0	1
4	CLUJ	317	298	299	0	1
5	CURTEA DE ARGES	666	657	658	0	1
6	HATEG	357	347	343	4	0
7	ORADEA	290	286	285	1	0
8	PORTILE DE FIER	487	474	474	0	0
9	RM. VALCEA	552	547	544	3	0
10	SEBES	241	238	238	0	0

No.	SUBSIDIARY	Existing personnel on 21.06.2012	Existing personnel on 31.12.2012	Existing personnel on 15.01.2013, before reorganization	Outputs January 2013	Inputs January 2013
11	SIBIU	316	307	308	0	1
12	SLATINA	328	324	323	1	0
13	TG. JIU	285	279	278	1	0
14	EXECUTIV	260	245	243	2	0
	TOTAL	5233, (5239 /3 jobs with two employees)	5115	5105	14	4

The following table highlighted reasons for leaving the organization, structured on case. Most departures are due to retirement (9 cases).

No.	Reasons for leaving the organizations in January 2013	No of employees that left
A.	Natural causes:	
1	Age limit retirement	6
2	Anticipated retirement	2
3	Partial anticipated retirement	1
4	Termination of Labor contract with parties' agreement	0
5	Death	1
6	Disciplinary termination of Labor contract	0
7	Suspension for child growth	0
8	Expiry of the period determined	0
9	Termination Labor contracts following Court's decision	0
10	Resignation	0
11	Transfers between Hidroelectrica units	4
A	TOTAL A	14

2. Dismissals

B	No. of person who has received the dismissal notice (will leave the organization in 15 days)	151
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II. Activities calendar for January was the following:

	Action/ Activity	Date
1.	Address of Hidroelectrica Hidrosind Union no. 3/09.01.2013 by which Hidroelectrica Hidrosind union disagrees with the change in the organizational charts of Hidroelectrica, organizational chart that the union has consulted in December 2012.	09.01.2013
2.	Hidroelectrica address no. 3033/09.01.2012 inviting Hidroelectrica Hidrosind Union on 11.01.2013 for further renegotiation of terms of the Collective Labor Contract and to complete personal norms	09.01.2013
3.	Minutes concluded on 11.01.2013 at the meeting of the Board with Hidroelectrica Hidrosind Union: - Meeting based on the invitation to negotiate - The Legal Administrator makes a short presentation of the company since the last meeting and until 11.01.2013; presents the number of employees to be dismissed and the number of vacancies to be reduced by the new organizational chart; - Regulations on personnel, Hidroelectrica Hidrosind Union said that agrees with Administration's proposal registered at point B.3 recorded in the minutes concluded on 21.11.2012 at commission meeting establishing personnel rules and regulations. - Norms of staff for HPP and SHPP sites within Hidroelectrica.	11.01.2013
4.	Hidroelectrica Hidrosind Union letter no. 8/11.01.2013 – as response to Hidroelectrica letter no. 3033/09.01.2013 by which Hidroelectrica Hidrosind Union was invited to collective negotiations. Hidroelectrica Hidrosind Union considers renegotiating of CLA was finalized by the conclusion AA 17 on 21.12.2012.	11.01.2013
5.	Hidroelectrica Hidrosind Union address no. 9/14.01.2013 - notification regarding the collective work dispute at Hidroelectrica level, based on refusal to accept claims from Hidroelectrica Hidrosind Union to maintain in the next period the number of HE employees, following that its reduction should be made naturally, over a period of three years through retirement of a number of 233 employees.	14.01.2013
6.	Hidroelectrica Hidrosind Union no. 10/14.01.2013 calling emergency start negotiations to establish norms for TESA staff and maintaining the current	

	Action/ Activity	Date
	number of employees, it will be done to gradually decrease over a period of 3 years by elimination of organizational functions to release employees who retire	14.01.2013
7.	<p>Hidroelectrica response to the Hidroelectrica Hidrosind Union letter no. 9/14.01.2013</p> <p>There are no legal conditions for starting collective labor conflict, because in Hidroelectrica the CLC is valid until 31.12.2013, as registered under the law.</p> <p>On resizing staff has been considered:</p> <ul style="list-style-type: none"> - company's special situation (insolvency); - Establishing organizational structure and number of employees is an attribute conferred by the law to the employer; - Since the opening of insolvency proceedings, especially during December 2012 - January 2013 meetings were held with administration and Hidroelectrica Hidrosind Union representatives, which were presented at the resizing personnel measures, the abolition of posts and staff layoffs. 	16.01.2013
8.	Hidroelectrica decision no. 46/16.01.2013 regarding approval of organizational structure of Hidroelectrica - executive and subsidiaries	16.01.2013
9.	Hidroelectrica Hidrosind letter no. 17/17.01.2013 - request to cease all measures taken against union leader Rosu Ilie, leader of two prominent trade union organizations: Hidroelectrica Hidrosind Union and Hidroelectrica Hidrosind Subsidiary	17.01.2013
10.	Email Hidroelectrica Hidrosind Union Hidroelectrica Hidrosind Union message regarding layoffs and notice of demand made by Hidrosind Hidroelectrica Union to the Bucharest City Hall to organize protests	17.01.2013
11.	<p>Email Press Office Hidroelectrica SA Legal Administrator message refers to:</p> <ul style="list-style-type: none"> - resizing organizational charts - reducing the number of managers and start competition for new vacancies for managers - oversized scheme for TESA staff; - intention to grant severance payments of redundant, but triggering labor dispute canceled by Hidrosind benefit those affected by the restructuring severance payments 	17.01.2013
12.	<p>Email Hidroelectrica Hidrosind Union Communication Program approved City Hall protest.</p> <p>Specifications for employees who have received notice of dismissal on redundancy payments provided for in the CLA art.4.110.</p> <p>Asking them not to accept the payment of severance pay as provided below in CLA or give up these salaries.</p> <p>Hidrosind Hidroelectrica union will be in court on those dismissed, so as</p>	21.01.2013

	Action/ Activity	Date
	dismissal and compensation for unpaid wages	
13.	HE Address 9433/22.01.2013 to Labor Territorial Office Bucharest - request response for Hidroelectrica Hidrosind Union can trigger collective labor conflict as long as Hidroelectrica concluded a collective agreement	22.01.2013
14.	Response to LTO to Hidroelectrica letter 9433 – Law 62/2011 Art. 164 regarding Social Dialogue provide that the duration of validity of CLA employees <i>can trigger conflict and Article 161 of collective work situations that establishes Law 62/2011 can trigger collective labor conflict. In LTO Bucharest records there is a CLA concluded at Hidroelectrica level valid until 31.12.2013.</i>	22.01.2013
15.	Hidrosind Hidroelectrica Union letter to LTO Bucharest - on the response received on 17.01.2012 by the Hidroelectrica Hidrosind Union from LTO Bucharest at letter 2959/14.01.2012 regarding nonexistent conditions for collective labor conflict. Hidroelectrica Hidrosind Union require to emergency start conciliation between representatives of employees and Hidroelectrica as employer. If LTO will not reconcile collective labor conflict in Hidroelectrica, Hidroelectrica Hidrosind Union will address the court	22.01.2013
16.	Hidrosind Press release Hidroelectrica picketing is announced for 24.01.2013 between 12.30 - 14.30 with 200 people	23.01.2013
17.	Open letter addressed by Hidroelectrica Hidrosind Union to the Prime Minister Victor Ponta. Prompt intervention of MECBA to restore the rule of law in relation to employees. Hidroelectrica Hidrosind Union did not agree with Hidroelectrica to enter into insolvency, but respect the current status of the company. Is aware that these procedures require certain measures and agreed to reduce certain rights provided in the CLA. It appeals to the Prime Minister for taking measures in order to reduce tensions between employees and employer.	23.01.2013
18.	Email Hidroelectrica SA Press Office Legal Administrator Message - information on action taken by Hidrosind Hidroelectrica Union to CLA in order to trigger collective labor conflict. - There are no legal conditions for onset collective labor conflict at Hidroelectrica -Refer to Bucharest LTO answer that says that during validity period of a collective labor contract employees can not trigger collective labor conflict.	23.01.2013
19.	Notification sent to Hidroelectrica by Hidroelectrica Hidrosind Union regarding dismissal of Hidroelectrica employees who have received notice. Union Administration require full payment of the salary compensation provided by the CLA art.4.110	

All correspondence and activities of January 2013 outlines a transparent communication between the Legal Administrator and Hidroelectrica Hidrosind Union on the reorganization that took place starting on 16.01.2013.

Company's reorganization starting 16.01.2013

1. **The organizational structure** of the company has on 15.01.2013 a total of 265 approved positions for executives in Hidroelectrica and 5030 approved positions in subsidiaries with a total of 5295 posts.

2. Reorganizational criteria of company's activity.

The following reorganization criteria were considered for increasing the competitiveness of the organization:

A. Processes orientation.

Organization processes were defined at three levels:

→Level 0 processes:

- Processes that bring value to the organization:
 - *Production of electricity and ancillary services*
 - *Sale, purchase and supply of electricity*
- Management processes
- Support processes:
 - Financing
 - IT& telecommunications
 - Human resources
 - Purchasing and logistics
 - Management of utilities

→Level 1 process: represents a detail of level 0 processes on horizontal;

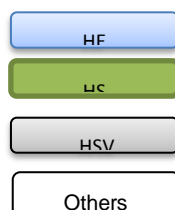
→Level 2 process: is a detail level 1 process in operational procedures.

Processes all level 0, 1 and 2 make up Hidroelectrica process map.

Map covers all company processes (with no redundant activities / overlay);

Process mapping logic express division and deployment processes by Color:

Hidroelectrica (Executive) – blue; Hidroelectrica subsidiaries – green; Hidroserv subsidiaries – gray; third parties – white, according to the following color code:



B. Subsidiaries divided by the number of employees in offices large, medium and small:

1.1	Sucursale MARI , cu nr de personal ≥ 490 angajati	
	SH CURTEA DE ARGES	672
	SH BISTRITA	385
	SH RM VALCEA	363
	SH PORTILE DE FIER	485
1.2	Sucursale Medii , cu nr de personal [300,490)	
	SH HATEG	338
	BUZAU	348
	CLUJ	335
	SLATINA	331
	SIBIU	315
1.3	Sucursale Mici , cu nr de personal < 300	
	SH ORADEA	288
	SH TG JIU	286
	SH SEBES	245
	SH CARANSEBES	196
	TOTAL 13 SH	5030

This classification took into account the number of employees in each branch before reorganization.

C. Territorial Dispersion: subsidiary activity takes place in several counties, as follows:

2.1 SUCURSALALE CARE DESFASOARA ACTIVITATEA PE O RAZA ≥ 5 JUDETE		
		nr judete
1	SH BISTRITA	6
2	SH BUZAU	5
3	SH ARGES	5
2.1 SUCURSALALE CARE DESFASOARA ACTIVITATEA PE O RAZA CUPRINSA INTRE 3 SI 5 JUDETE		
4	SH CLUJ	4
5	SIBIU	4
2.1 SUCURSALALE CARE DESFASOARA ACTIVITATEA PE O RAZA MAI MICA DE 3 JUDETE		
6	SH ORADEA	2
7	SH RAMNICU VALCEA	2
8	SH PORTILE DE FIER	2
9	SH CARANSEBES	1
10	SH HATEG	1
11	SH SEBES	1
12	SH SELATINA	1
13	SH TG JIU	1

D. Outsourcing of activities: occupational activities in the framework of the Health and Safety at Work (cancellation of jobs for doctors and nurses) and Psychology activity.

E. Merger of activities:

- a. quality management, environmental protection, health and safety compartment Integrated Management System.
- b. human resources and communication activity
- c. emergencies with ISCIR and PSI inspectors

F. Standardization and centralization of activities:

- a. procurement and logistics
- b. contracts
- c. management of utilities

G. Eliminate duplication activities, resulting in the cancellation of compartments:

- a. Cancellation job for councilors in all departments from executive and subsidiaries;
- b. Cancellation of functional compartments in plants, plants representing excellent operating units.

H. Resizing of activities as a result of the processes of business organization:

- a. human resources
- b. economic
- c. IT & communications
- d. Security
- e. CFG

Map processes and organizational structure proposals for executive and subsidiaries were presented for information / consultation to the social partners, namely Hidroelectrica Hidrosind Union in December 2012 as reflected in the minutes of the meeting concluded at Administration - Hidrosind dated 12.13.2012.

3. **Normative document.** A normative approved organizational structures at the executive level for company and its subsidiaries includes the following organizational entities: Manager, department, service, office, compartment.

4. **The personnel reductions by natural way**

Following analysis of the number of personnel (executive and subsidiaries) from entering insolvency until 31.12.2012, observed its downward trend by natural way:

Table no. 1

NR.CRT	SUCURSALA	NR PERS. EXISTENT 21.06.2012	NR PERS. EXISTENT 31.07.2012	NR PERS. EXISTENT 31.08.2012	NR PERS. EXISTENT 30.09.2012	NR PERS. EXISTENT 31.10.2012	NR PERS. EXISTENT 30.11.2012	NR PERS. EXISTENT 31.12.2012
1	BISTRITA	595	593	593	590	590	586	583
2	BUZAU	344	344	344	343	338	338	338
3	CARANSEBES	195	196	196	196	195	193	192
4	CLUJ	317	314	311	310	309	308	298
5	CURTEA DE ARGES	666	663	661	660	661	659	657
6	HATEG	357	354	354	352	353	350	347
7	ORADEA	290	289	288	288	287	287	286
8	PORTI DE FIER	487	485	484	485	477	474	474
9	RM VALCEA	552	554	553	552	551	548	547
10	SEBES	241	240	240	241	240	240	238
11	SIBIU	316	314	314	313	312	309	307
12	SLATINA	328	328	326	325	324	324	324
13	TG JIU	285	285	285	285	284	284	279
14	EXECUTIV	260	259	257	258	253	251	245
	TOTAL	5233	5218	5206	5198	5174	5151	5115

This trend was considered for company's reorganization.

Thus, the total number of jobs that remain in the organization after the reorganization, include posts that owners can retire due to retirement conditions, anticipated and partially anticipated.

Thus, a total of 36 employees will leave the company during 2013, they will benefit from award granted under CLA for retirement at age limit.

The organization was also provided a total of 94 jobs of which holders will be retiring in the next period due to anticipated and partially anticipated conditions. And for these employees the company will grant the rights set forth in the Collective Labor Agreement, namely the retirement award.

5. Synthesis

From the 5,295 existing jobs before reorganization, vacancies in organizational structures, executive and branches (191) and dismissal of 151 employees occupying 150 positions (2 ½ time employees occupying the same position), organization resulted in a total of 4954 posts.

There was only one vacancy in the organization chart after the reorganization, the General Manager position, for which there is running a selection procedure for private management, according to GEO 109/2011.

Table no. 2

SINTEZA REORGANIZARE SC HIDROELECTRICA SA- Executiv si Sucursale									
	Posturi in organigrama la 01.01.2013	Posturi vacante 16.01.2013	Nr. pers. existent 16.01.2013	Nr. pers. disponibilizat	Redistrib uiri	Nr. personal dupa disponibilizari si reducere posturi vacante	Din care: PLV*	Din care: PAP*	posturi reduce la finalul anului 2013
Curtea de Arges	672	15	657	16	1	642	4	19	54
Bistrita	595	14	581	19		562	1	4	38
Ramnicu Valcea	563	19	544	13		531	7	11	50
Portile de Fier	495	21	474	13		461	5	11	50
Hateg	359	15	344	1	-1	342	3	4	23
Buzau	349	11	338	11		327	1	6	29
Cluj	335	37	298	8		290	0	1	46
Slatina	331	8	323	8		315	4	9	29
Sibiu	315	9	306	6	1	301	0	1	16
Oradea	289	4	285	1		284	1	0	6
Targu Jiu	286	7	279	18		261	2	11	38
Sebes	245	7	238	1		237	2	7	17
Caransebes	196	4	192	3	1	190	3	3	13
TOTAL SH	5030	171	4859	118	2	4743	33	87	374
Executiv	265	20	245	32	-2	211	3	7	29
TOTAL HE	5295	191	5104	150	0	4954	36	94	403

*PLV- pensionari limita de varsta

*PAP- pensionari anticipate si anticipat partiale

6. Reducing the number of management positions (Top Management)

Under the new organizational procedures were reduced a number of management positions in subsidiaries (11.86%) and executive (75%), according to Table. 3

Table no. 3

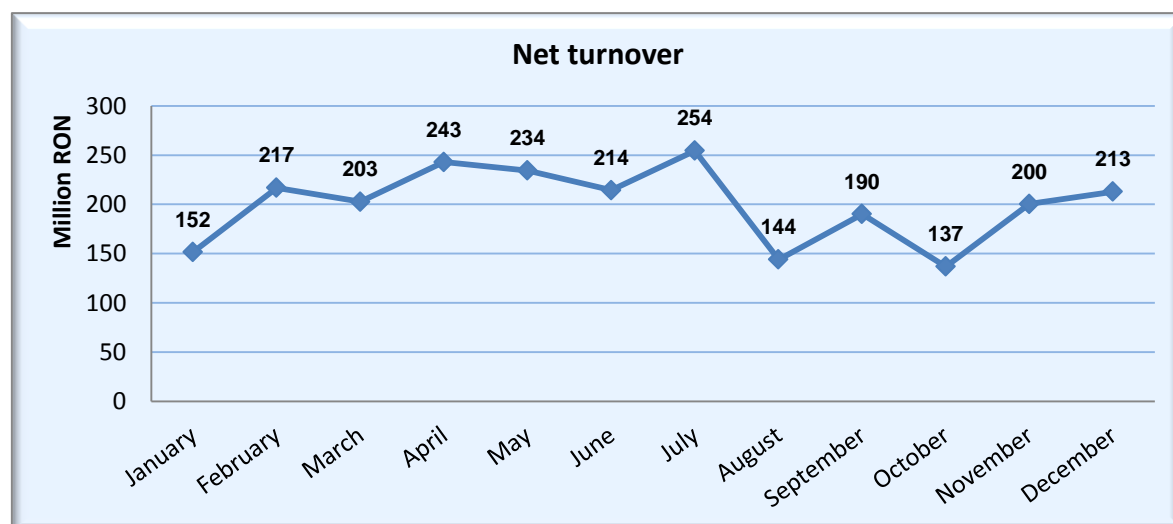
No.	Name of position on 20.06.2012	Name of position on 16.01.2013	No. of posts on 20.06.2012, date of insolvency	No. of posts on 16.01.2013	No. of reduced posts	% reduced
1	Subsidiary manager	Subsidiary manager	13	13	0	0.00
2	Deputy technical manager	Deputy production manager	13	13	0	0.00
3	Deputy operational manager	Deputy operational manager	3	1	2	66.67
4	Deputy economic and commercial manager /Deputy economic manager	Deputy economic manager	13	13	0	0.00
5	Deputy marketing manager	—	1	0	1	100.00
6	Program Manager	Program Manager	0	1	0	
7	Plant Manager	Plant Manager	7	5	2	28.57
8	Manager of operation plant	—	1	0	1	100.00
9	Manager of refurbishing plant	—	1	0	1	100.00
10	Plant Chief Engineer	Plant Chief Engineer	6	6	0	0.00
11	Plant Chief accountant	—	1	0	1	100.00
Total Subsidiaries			59	52	7	11.86%

12	General Manager	General Manager	1	1	0	0.00
13	Deputy General Manager	Deputy General Manager	1	1	0	0.00
14	Division manager	—	2	0	2	100.00
15	Department Manager	Department Manager	15	3	12	80,00
16	Program manager	—	1	0	1	100.00
Total Executive			20	5	15	75%
General Total			79	57	22	27,84%

Due to personnel resizing structure, resulted in the cancellation of a total of 191 positions, merge of some activities, reconsideration of management positions, outsourcing of activities, as result of the background note on the company's new organizational structure, the Legal Administrator approved by decision, the new organizational structure, for 10.5 months of the year 2013, which also estimated a reduction of salary costs (including contributions to the state budget) of about 11,050,000 RON, respectively 2,455,555 Euro.

8. *Specific activities of economic and financial nature.*

Net turnover achieved in December 2012 was in value of 213 million RON, and the aggregate value at 31.12.2012 was 2.401 million RON (approx. EUR 540 million). Monthly evolution of turnover in 2012 is as follows:



Total revenues in December 2012 are in value of 257 million RON and total expenses are in value of 211 million RON, **resulting in a gross profit in the amount of 36 million RON.**

We should mention that the above values are subject to change due to annual inventory revaluation results, involving among others registration on account of impairment expenses of assets, when the situation requires, and registration as

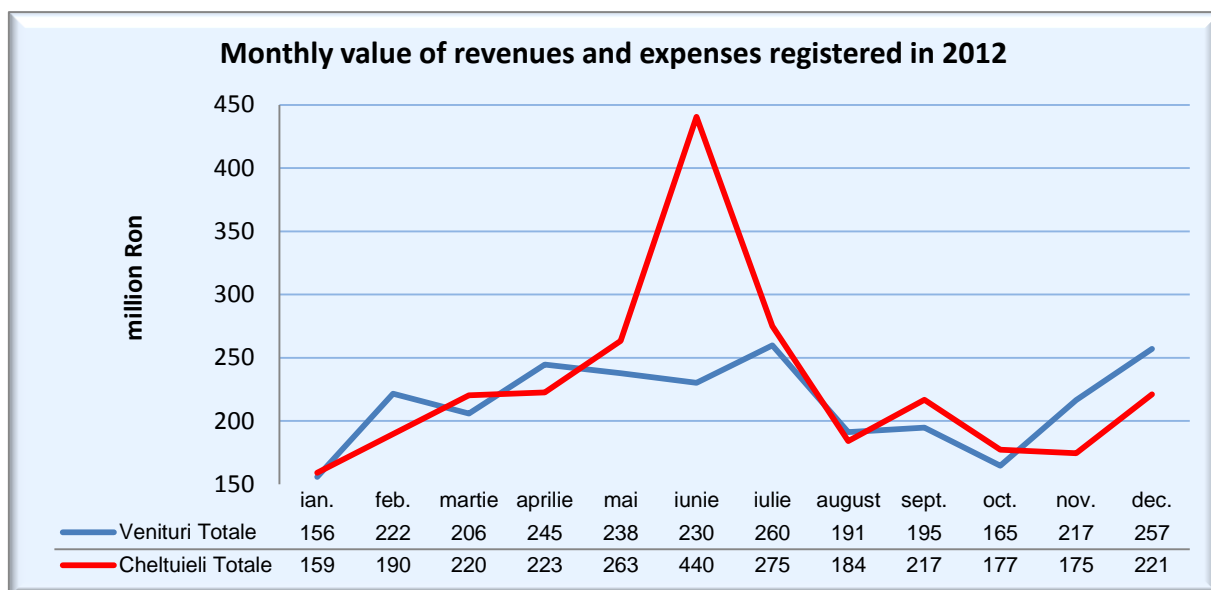
income of previously adjustments values due to spending account which is no longer justified.

Operating income realized up to 31.12.2012 are in value of 2.417 million RON, and have the following structure:

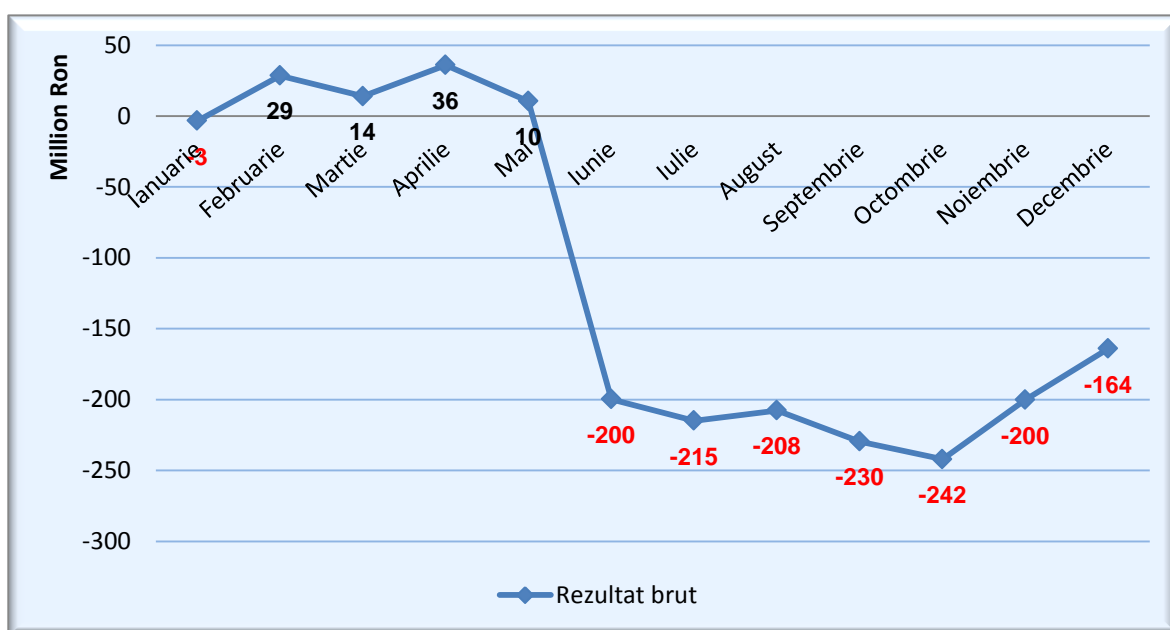
1. Total supplied energy, 12.822.964 MWh in value of 1,927 mil. RON, out of which:
 - Regulated Market: 4.104.075 MWh in value of 294 mil. RON;
 - Eligible and authorized suppliers: 6.490.220 MWh value of 998 mil. RON;
 - Export: 356.911 MWh in value of 59 mil. RON;
 - Next Day Market: 335.745 MWh in value of 62 mil. RON;
 - Centralized Market of Bilateral Contracts: 86.299 MWh in value of 22 mil. RON;
 - Transelectrica (Balanced Market): 1.364.031 MWh in value of 455 mil. RON;
 - Members PRE: 68.422 MWh in value of 28 mil. RON;
 - Direct consumers: 17.260 MWh in value of 8 mil. RON;
2. Ancillary services, transport, market administration in value of 401 mil. RON, out of which:
 - Delivered at Transelectrica (secondary control frequency / power reserve power, reactive power and voltage control assurance) amounting to 307 million RON;
 - Ancillary services, transport and market management competitive market value of 58 million RON;
 - Transport invoiced for electricity sold on the Regulated market, in value of 36 million RON;
3. Green certificates in value of 45 mil. RON;
4. Emission reduction units for CO2 in value of 20 mil. RON;
5. Industrial water services in value of 1 mil. RON;
6. Other services in value of 8 mil. RON;
7. Other revenues from operation in value of 15 mil. RON

In 2012, average prices of Hidroelectrica on Competitive market registered an increase of 22.2% since 2011, from 153.20 RON / MWh in 2011 to 187.17 RON / MWh in 2012, and achieved growth by renegotiation of the 4 contracts concluded with ALRO, Electromagnetica, Elsid and Electrocarbon. Also, following the renegotiation of the four above mentioned contracts Legal Administrator has obtained **additional revenue in the amount of 80,915,258 RON, entirely collected** from recalculating prices for electricity delivered during January-June 2012.

Total revenues realized until 31.12.2012 were in value of **2,580 Million RON** (cca. 580 Million euro), and total **expenses** were in value of **2,744 Million RON** (cca. 617 Million euro), monthly progress is shown in the chart below.



Evolution of monthly gross income in fiscal year 2012 is presented in the chart below.



On 31.12.2012, the main positions that define Hidroelectrica financial position are as follows:

Million Ron			Million Ron		
ASSETS	31.12.2012	%	LIABILITY	31.12.2012	%
Intangible assets	4	0,02%	Share capital	4.480	21,90%
Tangible assets	19.977	97,65%	Revaluation reserves	10.891	53,24%
Financial assets	61	0,30%	Reserves	1.124	5,50%
FIXED ASSETS	20.043	97,98%	Reported result	(137)	-0,67%
Stocks	106	0,52%	Current result	(169)	-0,83%
Receivables	247	1,21%	Distribution of profit	0	
Short term investment	0	0,00%	EQUITY	16.190	79,14%
Cash	58	0,28%	Patrimony	39	0,19%
			Short term debts	2.586	12,64%
			Long term debts	1.299	6,35%

Million Ron			Million Ron		
ASSETS	31.12.2012	%	LIABILITY	31.12.2012	%
CURRENT ASSETS	412	2,01%	TOTAL DEBTS	3.885	18,99%
Expenses recorded in advance	2	0,01%	Other liabilities	342	1,67%
ASSETS TOTAL	20.457	100,00%	LIABILITY TOTAL	20.457	100,00%

In December, were obtained ownership certificates for 11 lands registered on Bistrita, Portile de Fier and Ramnicu Valcea subsidiaries, totaling an amount of **4,083,256 RON**, as follows:

No.	Ownership Certificate	Name /Premises	Exclusive area (sq.m)	Value Assessor report (Ron)
HS Bistrita			419,102,00	3,383,700
1	M03 Nr.12842/10.12.2012	Captare secundară Izvorul Muntelui	17,264.00	303,200
2	M03 Nr.12843/10.12.2012	Captare secundară Tașca	401,838.00	3,080,500
HS Portile de Fier			207.63	2,835
3	M03 Nr.12844/10.12.2012	Telelimnometru Pristol	207.63	2,835
HS Ramnicu Valcea			21,231.37	696,721
4	M03 Nr.12845/10.12.2012	Captare și traversare Gurgui	1,339.78	36,727
5	M03 Nr.12846/10.12.2012	Captare și traversare Pârâul Rece	3,516.80	93,482
6	M03 Nr.12847/10.12.2012	Captare și traversare Bistrița	430.72	13,027
7	M03 Nr.12848/10.12.2012	Captare și traversare Căpățâna	512.03	15,148
8	M03 Nr.12849/10.12.2012	Captare secundara Pășcoaia Aval	1,846.88	49,948
9	M03 Nr.12850/10.12.2012	CHE Dăesti - Platforma aval mal stâng	10,210.00	356,000
10	M03 Nr.12851/10.12.2012	Captare secundară Porcu	1,500.00	68,634
11	M03 Nr.12852/10.12.2012	Captare și traversare Sfârcașu	1,875.16	63,755
Total			461.980.00	4.083.256

After General Meeting of Shareholders' approval, Hidroelectrica share of capital will be increased with the value of above land which will issue a corresponding number of shares to be divided between the two shareholders, depending on the rate of participation held.

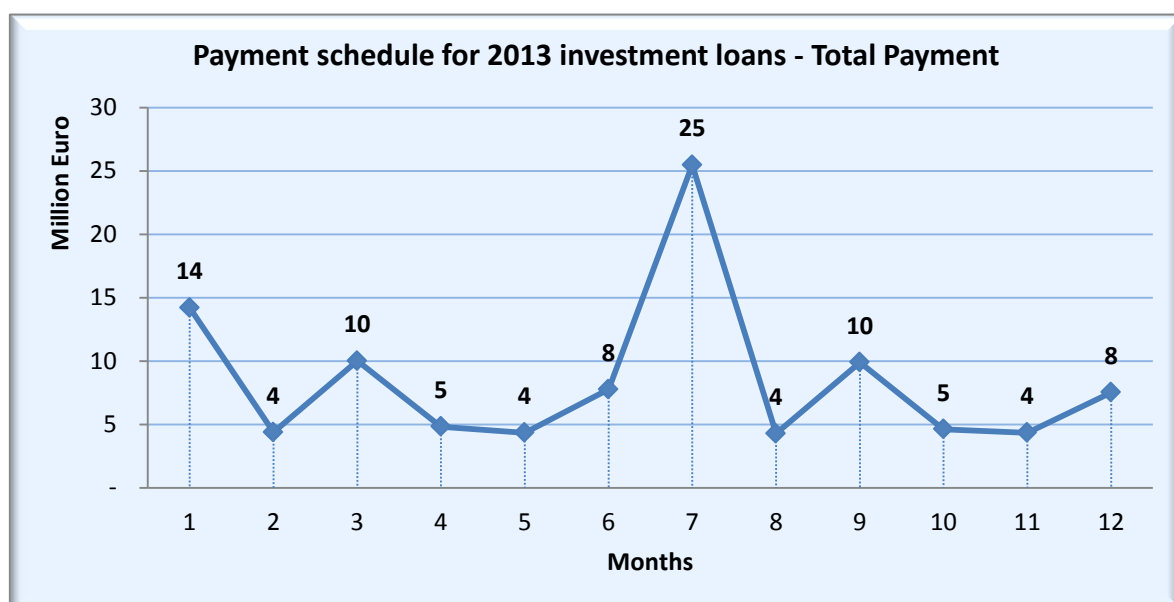
Debts

Company's total debts on 31.12.2012 are in value of **3.885 million Ron**, out of which:

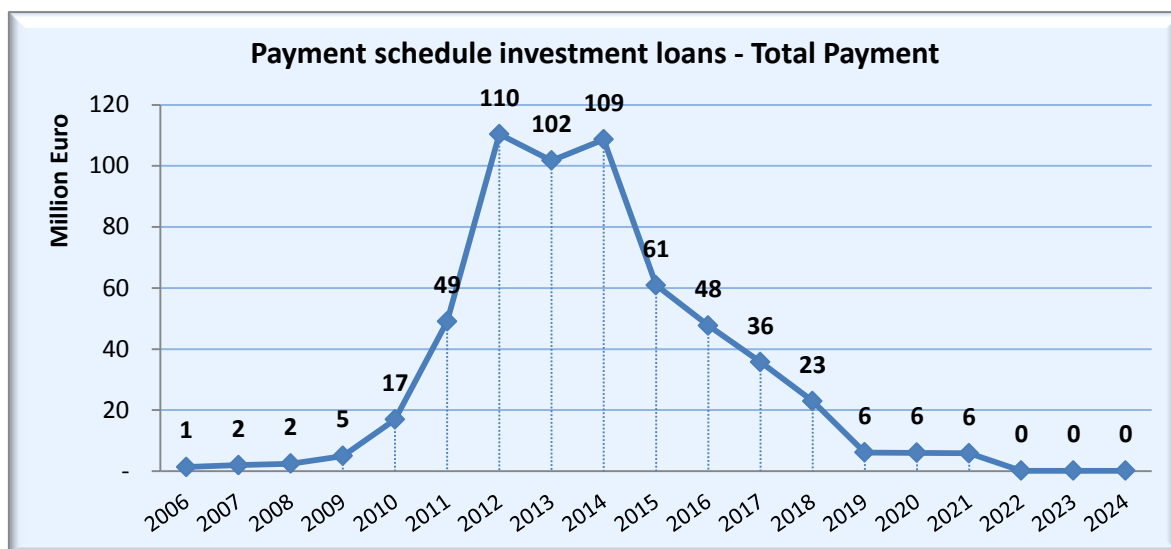
- Short term debts in amount of **2.586 million RON**, representing:
 - Commercial debts and similar liabilities in amount of **1.112 million RON**;
 - Liabilities to shareholders in the amount of **300 million RON** representing dividend and penalties for failure to pay;

- Debts to the state budget in the amount of **83 million RON**;
- Debts to unit staff in amount of **21 million RON**;
- Amounts owed to credit institutions in amount of **1.070 million RON** from contracted credit lines to finance current assets and credit related portion of the investment to be paid over a period of up to one year;
- Long-term debt in amount of **1.299 million RON** representing investment loans.

Regarding Hidroelectrica debts to financial and banking institutions from the ongoing investment loans, in 2012 were paid amounts totaling EUR 110.4 million in the amounts paid by way of interest and commission amounted of 20.7 million Euros. In 2013, payment obligations, which include capital ratios, interest rates and fees, are in the amount of **EUR 101.7 million**.



Debts from credit rates for investments, interest and commissions paid during the years 2006 - 2012 are in the amount of 187 million Ron and debt service for the period 2013 to 2018 is in value of EUR 377.6 million.



Cash flows

On 31.12.2012, the Company holds cash on hand and in bank accounts, totaling an amount of 57 million Ron and also used the amounts of the credit lines worth 668 million RON, as net treasury was negative worth of **(611) million Ron**.

In January 2013, the company received income from operations and the financial business worth 315 million Ron, 58 million Ron more than in December 2012 as follows:

Specification	Amount (million Ron)
Electricity	301,8
Interest	0,1
Use of credit for investments	13,1
Total	315

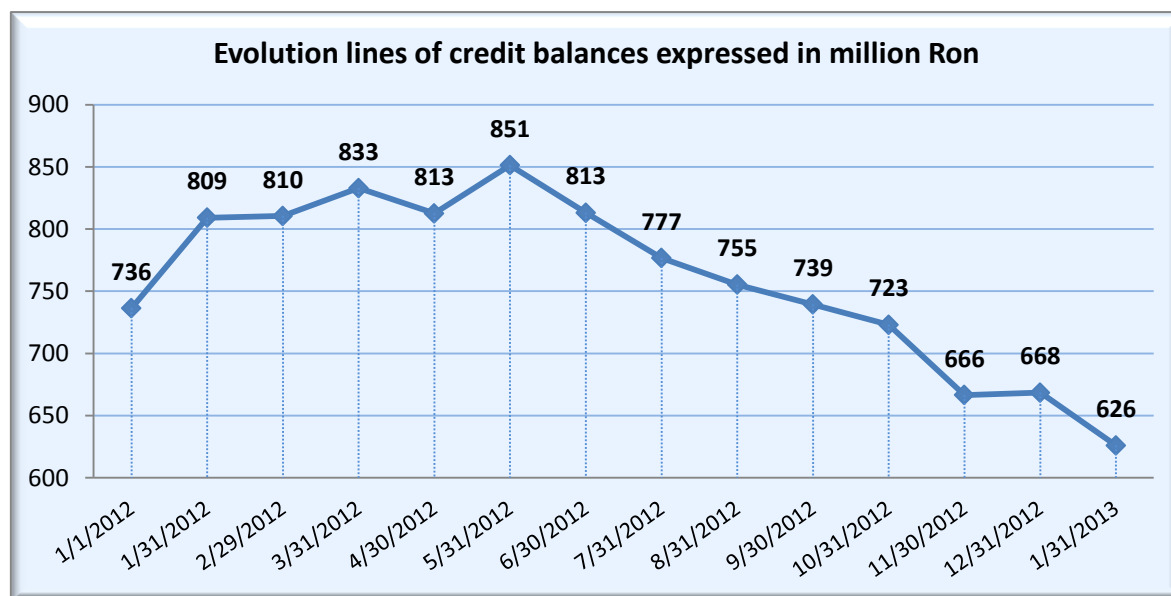
Total payments in January 2013 are in value of 242,9 million Ron, as follows:

Specification	Amount (million Ron)
Salaries and rights CLA	20,8
Investment and production suppliers	100,8
Fees to the state budget	18,6
Interests and commissions for credit lines	3,6
Interests and commissions for investment credits	7,8
Refunds in credit lines	36,8
Refunds capital investment loans	54,5
Total	242,9

On 31.01.2013, Hidroelectrica had in accounts with the bank's own funds worth 128.9 million Ron and the amounts of the credit lines used were worth 625.9

million Ron **consequent negative net flows totaling (497) million Ron, reduced with 114 million Ron towards December 2012.**

The balance of credit lines on 31.05.2012 was in the amount of 851 million Ron, balance which 31.01.2013 decreases to the amount of 626 million Ron, representing a decrease of approx. 36%. Monthly evolution of balances for credit lines from January 2012 - January 2013 is shown in the chart below.



Income and expenditure budget for 2013

In January 2013 was completed the draft for revenues and expenditure budget 2013 which was sent the two shareholders: Ministry of Economy, Trade and Business Environment and Fondul Proprietatea for approval.

The principles behind the construction of budget for 2013, and the extension for the period 2014-2015, is mainly based on a conservative estimate of income and sizing strict operational costs, the desire to maximize Hidroelectrica assets, to close insolvency proceedings and reintegration in the economic cycle. The main elements that led to the grounding of the budget are as follows:

- production forecast of 13,021,000 MWh, feature a dry year in terms of hydrological conditions;
- positive changes in the financial results of the year 2013, as a result of NAER decision. 3312/19.12.2012 that established amount on regulated market for the 2013 to 3.9 TWh, 1.6 TWh less than in 2012, and average delivery price increased to 125 Ron / MWh from 71 / MWh Ron, average price of 2012.

Thus, the availability of a quantity of 1.6 TWh on Regulated market to be valued at an average OPCOM price estimated at 200 RON / MWh and regulated price increases by 54 Ron / MWh in 2013, leading to some additional revenue of over 400 million Ron.

- reducing the values of all outstanding contracts for services, investment, management, etc.. towards 2012;
- reducing personnel costs by reducing some positions and reducing or eliminating incentives / bonuses..

Estimated gross profit for 2013 is in value of 434 million Ron, and we should mention that in case 2013 will be a normal hydrological year, Hidroelectrica can obtain substantial additional revenue, which would lead to a significant improvement in financial indicators and receivables increased flows, with positive consequences to company's net cash.

9. *Reorganization of Hidroserv subsidiaries*

Considering the inefficient organization and operation of Hidroserv subsidiaries, with major negative effects on the costs incurred by Hidroelectrica, which is also one of the causes that led to the insolvency of the Hidroelectrica, causes identified by the Legal Administrator and presented in the Report prepared on the basis of art. 59 of Law 85/2006 on insolvency proceedings, the Legal administrator initiated the measures to reorganize the 8 subsidiaries by merging them into a single company, primarily to ensure better use of the 8 Hidroserv subsidiaries' resources and for reducing operational costs and increasing the new entity capability in performing complex works for Hidroelectrica. Thus, in addition to maintenance services and maintenance of equipment, which represents activity based, Hidroserv will be able to contract new works of hydraulic engineering, assembly equipment, automation and design.

Thus, complying the legislation in force, has initiated the process of establishing Hidroelectrica - Serv SA, resulting from the merger by fusion of the eight Hidroserv subsidiaries, approved by the relevant statutory decisions of these companies, based on the mandate given by the Decision of the General Meeting of Shareholders of Hidroelectrica no. 30/29.11.2012.

The company recently established as a subsidiary of Hidroelectrica will have as main activity "Repair of equipments" - CAEN code 3312, carrying out production activities, trading or providing services, with the share capital entirely owned by Hidroelectrica S.A..

In order to draw up draft terms of merger an assessor was chosen and the assets of the eight-owned subsidiaries were assessed. The merger was signed on 31.01.2013 by legal representatives and / or authorized representatives of the merging companies that filed and referred to the Trade Registry Office where registered companies involved, and will be published in the Official Gazette in accordance with Art. 242 of the Companies Law.

Also, negotiations have begun with the representative of Hidroserv Subsidiaries trade union organizations, in order to harmonize the clauses contained in 8



collective agreements in force at this time, so at the effective date of the merger to be a collective labor agreement, including unitary terms of pay scale.

On 09.01.2013 a meeting was held between Legal Administrator and Hidroelectrica management with managers of subsidiaries and Hidroserv leaders, representatives of Hidroserv Subsidiaries trade union organizations.

They have agreed the followings:

- Continuing the process of merging, with the support of unions Hidroserv subsidiaries. Unions have pledged to quit action claims against Hidroelectrica GMS Decision no. 30/29.11.2012 .
- Negotiate a unique CLA with all Hidroserv branches. Management of Hidroserv subsidiaries and unions has pledged to complete this action until the end of February 2013.
- For the achievement of the merger, the parties have agreed to start restructuring program, including the reduction of a number of 500 employees in Hidroserv subsidiaries by the end of the first semester 2013.

Procedural incidents

HIDROSIND, trade union organization which groups unions established in the Hidroserv Subsidiaries, but which is not representative, filed under GEO no. 116/2009, four requests for intervention at the Trade Register Arges, Olt, Rm. Valcea and Neamt having as object:

- finding of abuse of rights committed by attempting registration of the merger without going through all the legal steps;
- rejection of mentions ;
- order to pay the sum of 10,000 Ron, representing compensation for damage caused by misuse of committed law;
- removal from local Trade Registry Office records registration of project with the object of establishing the company "Hidroelectrica-Serv" S.A

Thus, Law Courts of Arges, Olt, Valcea and Neamt registered four files, namely file no. 130/1259/2013, no. 903/104/2013, no. 1403/90/2013, no. 868/103/2013, with hearings on 12.02.2013 – postponed to 05.03.2013 for lack of procedure, 20.02.2013, 21.02.2013, 26.02.2013.

10. Strategy, business development and communication

In January 2013, the Department of Strategy and International Cooperation performed the following activities:



1. **Strategy and business development**

- **project „Optimal capitalization of hydro energetic potential on River Neagra Șarului”**

Building permit related to investment "Optimal capitalization of hydro energetic potential on River Neagra Șarului " with a value of 300,716 RON, was paid until 07.01.2011 and extended until 17.01.2013 with a payment of 90,215 RON on 23.04.2012.

In order to avoid cancellation of the Building permit, which involved re-authorization procedure, consisting in developing a new technical documentation according to the new regulations on work authorization, and full payment of the building permit for a second time (values not included in the investment's Bill of Quantities), Suceava County Council was notified on 14.01.2013 regarding the starting of works.

The works that have begun with own funds consist of upgrading of transformer for power evacuation from SHPP Sarul Dornei 1 and modernization in control cabinets in SHPP Gura Haitii 1.

Also, to avoid losing validity of Technical advice for connection to electric networks (study of employment in the system and opinions paid twice), dated 07.01.2013 has submitted application for connection contract of 4 SHPP [Gura Haitii 2 (disused), Haitii (new), Bauca (new) and Sarul Dornei 1 (decommissioned)] and have obtained technical opinions connection for the remaining 7 SHPP on 16.01.2013.

Note that validity is 3 months with possibility of extension for another three months until the end of the connection contract.

- **SANDBOCS Project – „Supply and Demand Balancing of Community Power Systems”**

Within the 7th Framework Program funded by the European Commission, the consortium consists of 18 participants from 11 countries, including energy companies, research institutes, universities, etc.. project proposal was submitted by SANDBOCS – “SUPPLY AND DEMAND BALANCING OF COMMUNITY POWER SYSTEMS”.

The project, conducted over 48 months, includes a research component - a component test development and validation of research results, Hidroelectrica being actively involved in the testing of the model.

The project proposal can be accessed using the link below:

[20121204 1652-SANDBOCS-PartB-View Only-Shared.pdf](#)

The project is to be analyzed, and evaluation results will be submitted by the end of February 2013. European Commission funding depends on the contribution of

each participant, so far Hidroelectrica does not have approved budget for this project.

- ***Project PSHPP Tarnița-Lăpușești***

In January 2013, representatives of the department have synthesized, prepared and submitted to the Department for Foreign Investment Projects and Infrastructure of the Romanian Government, the requested materials on project status PSHPP Tarnița-Lăpușești.

- ***Project “Analysis of the viability of SHP in Hidroelectrica portfolio”***

In many cases SHP under Hidroelectrica patrimony, register costs that exceed revenues, being currently underway to identify loss at plants, in order to remove the sale and / or establishment of IPP type trading companies in accordance with legislation in force.

- ***Privatization of SHP***

Legal Administrator has decided to resume the privatization of small hydro power plants together with representatives from departments of Manufacturing / Supply, Development / Refurbishment and Economic and prepared Note on "Strategy in Small hydroelectric power plants."

Following the approval of this notice, the General Shareholders will be able to initiate the procedure of SHPP auction sites and procedures for setting IPP trading companies' type.

This inventory was made for the project team to be able to form an idea of the values of these small hydro power plants based on the values certified by an independent expert, updated with annual inflation rate.

- ***Post privatization process***

According to the schedule of activities, in January has continued the process of post-privatization performance for SHPP sold by outcry auction, held in 2004-2008, by checking the contractual terms of the buyers of these small hydro power plants.

- ***Cooperation and international relations***

In January 2013, Cooperating and International Relations activities were held in the following coordinates:

- to identify opportunities for cooperation in hydropower domain, and the preparation and conduct business correspondence with companies / foreign organizations: AT Kearney Management Consulting, Confindustria - to identify potential partners for the development of relationships in hydropower domain in Romania;
- correspondence with the Ministry of Economy to prepare high-level meetings and sessions on relationship Moldova joint committees, namely Russia,

preparation and submission of proposals for cooperation in hydropower domain opportunities in Romania, to promote bilateral cooperation in energy to stimulate and facilitate the development of actions and hydropower projects; governmental agreements concluded in February 19, 1977 and May 22, 1987, between the Government of the Socialist Republic of Romania and the Government of the Socialist Federal Republic of Yugoslavia, to be submitted to EU 994/2012/UE purposes of the Decision establishing a information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the energy field; synthesis submission volumes of six projects with pumped storage plants: Argeş, Dobrogea, Dunăre-Banat, Ignis, Izvorul Muntelui, Răstoliţa;

- collaboration with Refurbishment department to promote the prequalification stage of rehabilitation of HPP Stejaru project through the development and transfer of relevant information to the 32 foreign diplomatic missions (embassies) in Romania;
- as a representative member of the International Hydropower Association "IHA" (the main international organization that promotes hydro energy), involved in initiative to achieve a global database of existing and planned hydropower plants, which will contain information such as location, installed power, energy, commissioning date, etc. and will make a direct contribution to the discharge of the association. In this regard, were carried out the following actions: translation and dissemination of information, and IHA data collection guide submitted to be completed with the required data from data collection departments, in order to achieve a uniform structure information and prepare its submission (forwarding address under approval by involved parties);
- the development of collaboration with national and international companies that are affiliated to Hidroelectrica - making efforts to postpone payment of annual fees (ARmHE (Romanian Association for Small Hydropower), ANEIR (National Agency for Romanian Exporters and Importers), CNR-CME Romanian National Committee of the World Energy Council, IRE (Romanian National Institute for Development Studies and Use of Energy Sources), APEN (Association of Energy Employers), until getting out of the insolvency, the acquisition of information provided by associations to be disseminate through monthly newsletter, submit nominations of Hidroelectrica representative in the Board of CNR-CME;
- completion of works connected to 86th Session of the Joint Commission for the Portile de Fier, that was conducted in Belgrade during 25-29.11.2012: approval of Session Report obtained from the Ministry of Economy and performing the steps for its transmission to all Commission members and other stakeholders;
- preparation and approval necessary travel documentation for Hidroelectrica representatives to Austria - Euromoney conference "The Central and Eastern European Forum Conferences" and to Belgium - Eurelectric conference (report, decision, warrant, note estimated advance procurement of transport documents and other travel documents, calculating entitlements while traveling abroad, pay

the conference fee, report the excess expenditure, activity report, record actions and related documents going abroad, etc.);

- analysis of technical and scientific events calendar for 2013 (conferences, seminars, forums, conferences) and rigorous selection of the most important events, considered of interest to Hidroelectrica, in order to inform company's management;

2. Public relations

Communication with shareholders and the public, through the media, was very active during January 2013, following the implementation of Hidroelectrica Legal Administrator of measures to reduce the number of employees and the reorganization of the management structure and staff.

For this propose:

1. It was organized a press conference having as subject:
 - New organization chart of the company, changes in executive management and staff layoffs
 - Revenues and expenditure budget for 2013
 - Review the 6 months of insolvency

Monitoring Legal Administrator's media coverage of the printed and online statements and answering journalists' questions were identifying 44 titles in the online media, which means that they were covered by online publications, EVZ, Adevarul, Romania Libera, etc.. and, Ziarul Financiar, Bursa, Wall Street etc.

2. For accurate information about organizational chart and reducing the number of Hidroelectrica employees, the Legal Administrator sent 2 on-line messages to all employees, regarding company's evolution, the measures implemented to reduce the number of TESA personnel and the outcome of negotiations with Union representatives.
3. Hidroelectrica press office responded to requests for information submitted by Ziarul Financiar, Hotnews, Evenimentul Zilei, ziarul Bursa, Bloomberg News, Trade&Investment magazine, Radio România.

Among the most influential and relevant media organizations that included information from this news feeds events, print and online editions, programs, newsletters and their programs include:

- **Press agencies:** Agerpres, Mediafax, Hotnews, Newsin, Associated press, Reuters, Amos news, Bloomberg;
- **Written and on-line:** Ziarul Financiar, Capital, România Liberă, Evenimentul Zilei, Bursa, Adevarul, Jurnalul Național, Business Magazin, Focus Energetic, Puterea, Libertatea, Trimpublishings, The Diplomat Bucharest;
- **Radio and TV:** Pro TV, The Money Channel, TVR 1, Prima TV, Realitatea TV, România TV, Antena 3, B1 TV, Digi 24, Radio România, Național TV, Prima TV.



Constant presence of the Legal Administrator, the special administrator and general manager of Hidroelectrica in the media through statements, interviews, participation in radio and TV shows and lectures on energy, had as main objectives:

- Description and reasoning of decisions taken in the insolvency process management;
- Explaining Hidroelectrica specific situation due to lowering electricity production and severe drought occurred both on the Danube and the main interiors river of hydropower arrangements;
- Fighting pessimistic / critical scenarios presented in the media, having as support the highly special insolvency procedure associated to Hidroelectrica, the largest energy producer in Romania;
- Enhance Hidroelectrica image as the largest energy producer in Romania and the main service provider for safe operation of the National Power System.

A. Procedural measures

Creditors Committee meeting dated 17 January 2013

Legal Administrator has convened HIDROELECTRICA Creditors Committee, based in art. 17 Law no. 85/2006 on 17.01.2013, 16, 00 hrs with the following agenda:

1. presenting the main measures adopted by the Legal Administrator since initiation insolvency procedure until December 31, 2012;
2. presentation of the draft budget of revenues and expenditures for 2013;
3. presenting the program of actions and measures envisaged by the Legal Administrator in 2013 for Hidroelectrica's restructuring, reorganization and streamlining business to end the insolvency during 2013;
4. presentation of the Lease contract signed on 17.12.2012 between Hidroelectrica as lessee and Tower Center International Ltd. as lessor involving the lease of office space for Hidroelectrica headquarters in area of 3265 sqm office building located in 15-17 Ion Mihalache Blvd, Sector 1;
5. stage presentation for remedies to the preliminary table of receivables.

Creditors Committee Meeting convening notice was sent to the creditors' committee members by e-mail. Also Creditors Committee Meeting calling notice was published in Bulletin No. insolvency proceedings under no. 369/01.09.2013.

At the meeting attended all members of the committee of creditors, namely

1. BRD GROUPE SOCIETE GENERALE – Chairman;
2. ING BANK N.V.– Member;
3. UNICREDIT BANK AUSTRIA AG – represented by UNICREDIT TIRIAC BANK – Member;



4. BANCA COMERCIALA ROMANA – Member;
5. Ministry of Economy, Trade and Business Environment – Member.

Legal Administrator presented the agenda which were recorded in the minutes of the meeting, published in the Bulletin of insolvency proceedings 2268/06.02.2013.

Creditors Committee noted the main action taken by the Legal Administrator from initiation of the insolvency procedure until 31 December 2012 and the draft budget of revenues and expenditures for 2013.

The Creditors Committee also took note of the content of the action, programs and measures envisaged by the Legal Administrator in 2013 for Hidroelectrica restructuring, reorganization and streamlining business insolvency to end the year 2013 and the main elements of the lease contract concluded on 17.12.2012 between Hidroelectrica as lessee and Tower Center International Ltd. as lessor, involving the lease of office space for Hidroelectrica headquarters in an area of 3265 sqm in the office building located in 15-17 Ion Mihalache Blvd., Sector 1. The Creditors Committee was informed with regard to the litigation situation that involves Hidroelectrica, in particular regarding the 74 appeals to the preliminary table and the law firms representing the debtor in this litigation and the fees requested, the selection being made by the Legal Administrator in accordance with the Creditors Committee minutes of meeting dated 25.10.2012.

Reporting on litigation in January 2013

Legal administrator has represented SC HIDROELECTRICA SA in the following litigations:

1. File no. 7917/2/2012- Bucharest Law Court

PARTIES : ALPIQ ROMINDUSTRIES- Appellant
ALPIQ ROMENERGIE- Appellant
SC HIDROELECTRICA SA- Defendant

OBJECT: Appeal against the decision of 09/05/2012 (straightening clerical error)

At the hearing dated 22.01.2013 the Court rejecting the appeal as filed by a person without legal standing.

2. File no.22456/3/2012- Bucharest Law Court

PARTIES : ALPIQ ROMINDUSTRIES- Appellant
ALPIQ ROMENERGIE- Appellant
SC HIDROELECTRICA SA- Defendant

OBJECT: Appeal to insolvency procedure

At the hearing dated 17.01.2013 court granted date in order to cover the lack of procedure with EURO INSOL SPRL. Next hearing is scheduled on 14.02.2013.



3. File no. 31833/3/2012- Bucharest Law Court

PARTIES : Elsid Titu SA - Objector
SC HIDROELECTRICA SA - Respondent

OBJECT: Appeal against enforcement measure of the force majeure clause
At the hearing dated 23.01.2013 the Court granted time to be quoted in question the Creditors Committee. Next hearing is scheduled on 03.04.2013.

4. File no. 31569/3/2012- Bucharest Law Court

PARTIES : Alro Slatina - Objector
SC HIDROELECTRICA SA - Respondent

OBJECT: Appeal against enforcement measure of the force majeure clause
At the hearing dated 23.01.2013 the Court granted time to be quoted the Creditors Committee. Next hearing is scheduled on 17.04.2013.

5. File no.. 31849/3/2012- Bucharest Law Court

PARTIES : Electrocarbon - Objector
SC HIDROELECTRICA SA - Respondent

OBJECT: Appeal against enforcement measure of the force majeure clause
At the hearing dated 23.01.2013 the Court granted time to be quoted the Creditors Committee. Next hearing is scheduled on 20.03.2013.

6. File no. 31379/3/2012- Bucharest Law Court

PARTIES : Alpiq Romindustries - Objector
SC HIDROELECTRICA SA - Respondent

OBJECT: Appeal as electricity cancellation
At the hearing dated 23.01.2013 the Court granted time to be quoted the Creditors Committee. Next hearing is scheduled on 03.04.2013.

7. File no. 31384/3/2012- Bucharest Law Court

PARTIES : Alpiq Romenergie - Objector
SC HIDROELECTRICA SA - Respondent

OBJECT: Appeal an electricity cancellation
At the hearing dated 23.01.2013 the Court granted time to be quoted the Creditors Committee. Next hearing is scheduled on 17.04.2013.

8. File no. 29713/3/2012- Bucharest Law Court

PARTIES : Energy Holding - Objector
SC HIDROELECTRICA SA - Respondent

OBJECT: Appeal an electricity cancellation
At the hearing dated 23.01.2013 the Court granted time to the Creditors Committee be quoted. Next hearing is scheduled on 03.04.2013



9. File no. 29088/3/2012- Bucharest Law Court

PARTIES : EFT AG - Objector
HIDROELECTRICA SA - Respondent

OBJECT: Appeal of unilateral cancellation + suspend performance.

At the hearing dated 23.01.2013 the Court granted time to the Creditors Committee be quoted. Next hearing is scheduled on 20.03.2013.

10. File no. 34807/3/2012- Bucharest Law Court

PARTIES : PEET Electrocentrale Paroseni - Objector
HIDROELECTRICA SA - Respondent

OBJECT: Appeal against termination measure

At the hearing dated 23.01.2013 the Court granted time to the Creditors Committee be quoted. Next hearing is scheduled on 03.04.2013.

11. File no. 34739/3/2012- Bucharest Law Court

PARTIES : Electrocentrale Deva - Objector
HIDROELECTRICA SA - Respondent

OBJECT: Appeal against termination measure. At the hearing dated 23.01.2013 the Court granted time to the Creditors Committee be quoted. Next hearing is scheduled on 20.03.2013.

12. File no. 36733/3/2012- Bucharest Law Court

PARTIES : Alpiq AG - Plaintiff
HIDROELECTRICA SA - Respondent

OBJECT: Opposition to the opening of insolvency

At the hearing dated 23.01.2013 the court decided to join the file no. 26502/3/2012.

13. File no. 36735/3/2012- Bucharest Law Court

PARTIES : Alpiq RomEnergie - Plaintiff
HIDROELECTRICA SA - Respondent

OBJECT: Opposition to the opening of insolvency

At the hearing dated 23.01.2013 the court decided to join the file no. 26502/3/2012.

14. File no. 26503/3/2012- Bucharest Law Court

PARTIES : Alpiq Romindustries - Plaintiff
HIDROELECTRICA SA - Respondent

OBJECT: Opposition to the opening of insolvency

At the hearing dated 23.01.2013 the court decided to join the file no. 26502/3/2012.

15. File no. 26502/3/2012- Bucharest Law Court

PARTIES : Petrom Energie Union- Plaintiff
Hidrosind Union - Plaintiff
HIDROELECTRICA SA - Respondent

OBJECT: Opposition to the opening of insolvency. At the hearing dated 23.01.2013 court granted a deadline for the parties to peruse the documents submitted.

16. File no. 46447/3/2012- Bucharest Law Court

PARTIES : HIDROELECTRICA HIDROSIND SUBSIDIARY- Plaintiff
HIDROELECTRICA HIDROSIND UNION - Plaintiff
HIDROELECTRICA SA - Respondent

OBJECT: cancellation of Hidroelectrica Board Decision no 17 and 18. At the hearing dated 25.01.2013 court granted a deadline for the parties to peruse the documents submitted.

17. File no. 8222/2/2012- Bucharest Court of Appeal

PARTIES : SC ALPIQ ROMENERGIE SRL : Objector
SC ALPIQ ROMINDUSTRIES SRL : Objector
HIDROELECTRICA HIDROSIND SUBSIDIARY- Respondent
HIDROELECTRICA SA - Respondent

OBJECT: Appeal for annulment

At the hearing dated 25.01.2013 court granted a deadline for the parties to peruse the documents submitted.

18. File no. 8222/2/2012- Bucharest Court of Appeal

PARTIES : SC ALPIQ ROMENERGIE SRL : Objector
SC ALPIQ ROMINDUSTRIES SRL : Objector
HIDROELECTRICA HIDROSIND SUBSIDIARY- Respondent
HIDROELECTRICA SA - Respondent

OBJECT: Appeal for annulment. At the hearing dated 16.01.2013 court granted a deadline for the parties to take notice of pleadings and file to be attached fund / appeal.

19. File no. 36375/3/2012- Bucharest Law Court

PARTIES : ROMANIAN NATIONAL WATERS - Water Basin Administration
SIRET : Objector
HIDROELECTRICA SA - Respondent

OBJECT: Objection to the preliminary table

At the hearing dated 23.01.2013 the court dismissed the appeal as unfounded.



20. File no. 36561/3/2012- Bucharest Law Court

PARTIES : SC DE PRODUCERE A ENERGIEI ELECTRICE SI
TERMICE TERMOELECTRICA SA: Objector
HIDROELECTRICA SA - Respondent

OBJECT: Objection to the preliminary table

At the hearing dated 23.01.2013 the court rejected the plea of nullity appeal raised by the Legal Administrator EURO INSOL SPRL as not founded and admitted the appeal of Termoelectrica SA creditor in the creditor's table providing entry into the final table of the debtor HIDROELECTRICA SA claims amounts: - 756,557.53 RON represents the legal interest for the year 2008. - 9,336,477.76 RON representing the legal interest for the period 01.06.2009-09.05.201, under condition precedent to resolve D 2166/3/2012 to be judged by the Bucharest Tribunal Section VI of the Civil and suspended as a result the application of Article 36 of Law 85/2006.

21. File no. 36565/3/2012- Bucharest Law Court

PARTIES : ROMANIAN NATIONAL WATERS - Water Basin
Administration SOMEȘ-TISA CLUJ NAPOCA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the hearing dated 23.01.2013 the court dismissed the appeal as unpaid.

22. File no. 36566/3/2012- Bucharest Law Court

PARTIES : SC ELECTRICA FURNIZARE SA, PRIN SUC.DE
FURNIZARE A ENERGIEI ELECTRICE TRANSILVANIA
NORD CLUJ NAPOCA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the hearing dated 23.01.2013 the Court dismissed the appeal as devoid of purpose.

23. File no. 36857/3/2012- Bucharest Law Court

PARTIES : SC ELECTROCARBON SA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the hearing dated 09.01.2013 have requested time to take cognizance of the documents submitted by the objector. Next hearing is scheduled on 20.03.2013

24. File no. 36861/3/2012- Bucharest Law Court

PARTIES : SC ELSID SA TITU – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the hearing dated 09.01.2013 have requested time to take cognizance of the documents submitted by the objector. Next hearing is scheduled on 20.03.2013



25. File no. 36894/3/2012- Bucharest Law Court

PARTIES : GROZA PETRU with chosen domicile at Attoreny at law DUMITRESC
TRAIAN – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

26. File no. 36895/3/2012 - Bucharest Law Court

PARTIES : BĂLOI IOAN with chosen domicile at Attorney at law
DUMITRESC TRAIAN – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

27. File no. 36896/3/2012 - Bucharest Law Court

PARTIES : NICULA SANZIANA with chosen domicile at Attorney at law
DUMITRESC TRAIAN – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

28. File no. 36897/3/2012- Bucharest Law Court

PARTIES : DĂNUTI VOICHITA,DĂNUTI DOINEL , DĂNUTI PETRISOR,
GHELTU TATIANA with chosen domicile at Attorney at law
DUMITRESC TRAIAN – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

29. File no. 36905/3/2012- Bucharest Law Court

PARTIES : OPREA MILIAN MIRCEA, NEAMT VERONICA, CHITAR
DANA, COTOLAN GABRIEL CU DOMICILIUL ALES with
chosen domicile at Attorney at law DUMITRESC TRAIAN –
Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.



30. File no. 36910/3/2012- Bucharest Law Court

PARTIES : CIORA TEREZIA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

31. File no. 36911/3/2012- Bucharest Law Court

PARTIES : DĂNUT IOAN – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

32. File no. 36914/3/2012- Bucharest Law Court

PARTIES : TONCEA DOINA SILVIA, TONCEA COSMIN, CONEA
CRISTIANA, IOVĂNESCU DOINA, TONCEA IOAN – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

33. File no. 37373/3/2012 - Bucharest Law Court

PARTIES : OMV PETROM SA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 09.01.2013 dismissed the appeal as devoid of purpose.

34. File no. 37377/3/2012- Bucharest Law Court

PARTIES : SC FILIALA DE INTRETINERE SI SERVICII ENERGETICE
ELECTRICA SERV SA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial Court dated 23.01.2013 partly allowed the appeal and ordered registration of Objector in the final table with the following amounts: 837.28 RON unsecured debt, 1197 RON not yet due, rejecting as unfounded the sum of 9820.24 RON.

35. File no. 37379/3/2012 - Bucharest Law Court

PARTIES : EFT AG with chosen office at MUSAT & ASOCIATII SPARL –
Objector
HIDROELECTRICA SA - Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 23.01.2013 dismissed the appeal as unfounded.



36. File no. 45576/3/2012- Bucharest Law Court

PARTIES : Filiala pentru reparatii si servicii hidroseru Hateg SA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial court dated 23.01.2013 quashed the appeal as unpaid.

37. File no. 39580/3/2012 - Bucharest Law Court

PARTIES : COMPANIA NATIONALA ADMINISTRATIA CANALELOR
NAVIGABILE SA CONSTANTA – Objector
HIDROELECTRICA SA- Respondent

OBJECT: Objection to the preliminary table

At the time of trial, Court dated 23.01.2013 upheld the objection of the Legal administrator and rejected as late formulated.

Legal Administrator

EURO INSOL SPRL

By coordinating practitioner

Ph. Dr. Remus Adrian Borza