



SOCIETATEA NATIONALA DE TRANSPORT GAZE NATURALE
"TRANSGAZ"-S.A. MEDIAS

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PRESS RELEASE

The National Gas Transmission Company, TRANSGAZ SA Medias – the first Romanian company to be granted “investment grade” by Standard & Poor’s

On March 26th, 2007, Standard & Poor’s Ratings Services granted TRANSGAZ the **BB+, positive outlook**, credit rating for long-term corporate loans.

The positive outlook reflects the improved liquidity position following the primary initial public offering of shares planned for 2007. Moreover, such outlook reflects TRANSGAZ potential to reach investment grade as a result of the operation activity improvement, as a public entity listed on the Stock Exchange, by maintaining its credit ratios and by visibly upgrading corporate risk management practices.

Following the credit rating reviewing process, Standard & Poor’s Ratings Services raised TRANSGAZ long-term corporate credit rating to **BBB-** from **BB+**.

“The upgrade reflects TRANSGAZ improved financial profile, which has been enhanced by the completed initial public offering (IPO) that will fund part of the company’s medium-term investment programme. The upgrade also reflects the increased visibility and amount of operating cash flow following a significant tariff increase and the finalization of tariffs for the regulatory period through June 30th, 2012” according to Standard & Poor’s Press Release dated February 29th, 2008.

The rating on TRANSGAZ is underpinned by:

- * the sole licensed status of the National Transmission System operator
- * the predictable cash-flows generated from regulated transmission activities
- * the company’s strong financial profile.

“The negative outlook on TRANSGAZ reflects the outlook on the Republic of Romania, the possibility of adverse macroeconomic developments in Romania and some resultant uncertainty about how the state may influence TRANSGAZ’ financial and dividend policies. Additional factors that could put pressure on the rating include the inability to execute the mandatory investment programme and/or material overrun in capital expenditure or operating costs. We expect that TRANSGAZ will maintain low debt leverage and solid cash flow protection, which will continue to underpin the rating.

An adverse change in the sovereign rating would, in all likelihood, lead to a downward revision of the rating on TRANSGAZ. Conversely, we would expect to

revise the outlook to stable if the sovereign rating or outlook improves “, according to the same Press Release of Standard & Poor’s.

“Gaining the *investment grade* rewards the company’s efforts paid within the last years and renders TRANSGAZ management aware of the responsibilities triggered by such new rating and ready to respond to future challenges” states TRANSGAZ Director General, Mr. Ioan RUSU.