

**REPORT AND ISSUER IDENTIFICATION DATA**

Quarterly report according to the provisions of art. 227 of Law no. 297/2004

Date of report: 13 May 2015

Company name: SNTGN TRANSGAZ SA

Headquarters: Medias, 1 Constantin I. Motas Square, code: 551130

Telephone/fax: 0269-803333/0269-839029

Tax identification code: RO13068733

Trade Register number: J32/301/2000

Subscribed and paid-up capital: 117.738.440 lei

Regulated market on which issued securities are traded: Bucharest Stock Exchange

**QUARTERLY REPORT****on Transgaz' economic and financial activity as at 31 March 2015  
(period 1 January – 31 March)**

The company's business is performed according to the targets under GD no. 334/2000 on the company's incorporation.

This report contemplates Transgaz' indicators as at 31 March 2015 compared to the similar period of the previous year and to the indicators under the revenue and expense budget as approved by GD 237/7.04.2015.

*\*lei thousand\**

Tag no.	Name	Achieved 1.01-31.03.2014	Achieved 1.01-31.03.2015	Increase
0	1	2	3	$4=3/2 \times 100 - 100$
1.	Operating revenues	522.718	462.852	-11%
2.	Financial revenues	4.039	8.430	109%
<b>3.</b>	<b>TOTAL REVENUES</b>	<b>526.757</b>	<b>471.281</b>	<b>-11%</b>
4.	Operating expenses	254.129	230.388	-9%
5.	Financial expenses	1.702	2.184	28%
<b>6.</b>	<b>TOTAL EXPENSES</b>	<b>255.831</b>	<b>232.572</b>	<b>-9%</b>
7.	<b>GROSS RESULT</b> (row 3.- row 6.) out of which:	<b>270.926</b>	<b>238.710</b>	<b>-12%</b>
	• operating	268.589	232.464	-13%
	• financial	2.337	6.246	167%
<b>8.</b>	<b>Income tax</b>	<b>44.319</b>	<b>39.404</b>	<b>-11%</b>
<b>9.</b>	<b>NET PROFIT</b>	<b>226.607</b>	<b>199.306</b>	<b>-12%</b>

*The total revenues* decreased by **11%**, precisely by Lei 55.476 thousand compared to the achievements of 2014.

This decrease was mainly due to the lower revenues obtained from the commodity charge generated by the decrease in the share of the variable component in the total revenues from 65% to 50% and the decrease of the invoiced gas amount as opposed to the similar period of the previous year.

*Starting with the third year of the third regulatory period (2014-2015), the means of allocating the total revenues underlying the setting of tariffs for gas transmission is 50% for the capacity charge and 50% for the commodity charge. This leads to a re-distribution of the transmission tariffs as follows: the decrease of transmission revenues during the winter quarters based on the diminished transmission revenues and the increase in the transmission revenues during the summer quarters based on the increase in the revenues from capacity booking compared to the previous gas year.*

*The total expenses decreased by 9% compared to Q1 2014, precisely by Lei 23.259 thousand because of the savings made mainly in relation to the royalty, tax and other state dues expenses.*

**The gross profit achieved in Q1 2015 is lower by 12%, precisely by Lei 32.217 thousand compared to the achievements as at 31 March 2014.**

## **1.2 Analysis of the economic-financial indicators achieved as at 31 March 2015 compared to the revenues and expense budget as approved by GD no. 237/07.04.2015.**

The achieved vs. budgeted main economic-financial indicators for Q1 2015 are illustrated below:

*\* lei thousand\**

<b>Tag no.</b>	<b>Name</b>	<b>Budgeted 01.01-31.03.2015</b>	<b>Achieved 01.01-31.03.2015</b>	<b>Increase</b>
0	1	2	3	4=3/2x100-100
1.	Operating revenues	463.198	462.852	0%
2.	Financial revenues	3.519	8.430	140%
<b>3.</b>	<b>TOTAL REVENUES</b>	<b>466.717</b>	<b>471.281</b>	<b>1%</b>
4.	Operating expenses	299.379	230.388	-23%
5.	Financial expenses	1.463	2.184	49%
<b>6.</b>	<b>TOTAL EXPENSES</b>	<b>300.842</b>	<b>232.572</b>	<b>-23%</b>
7.	<b>GROSS RESULT (row 3.- row 6.), out of which:</b>	<b>165.875</b>	<b>238.710</b>	<b>44%</b>
	⊕ operating	163.819	232.464	42%
	⊕ financial	2.056	6.246	204%
<b>8.</b>	<b>Income tax</b>	<b>26.857</b>	<b>39.404</b>	<b>47%</b>
<b>9.</b>	<b>NET PROFIT</b>	<b>139.018</b>	<b>199.306</b>	<b>43%</b>

*The total revenues are sensibly equal with the budgeted values with an increase of Lei 4.565 thousand. The revenues were influenced by the increase in other operating revenues due to the registration of the amounts related to the revenue reversal in advance recognized by Transgaz based on the right to cash in the remaining value of the investments in the NTS upon termination of the Concession Agreement and in the financial revenues due to the revenues from interests as a result of receivables discounting in relation to the regulated amount of the regulated asset base which remains undepreciated upon the termination of the Concession Agreement.*

*The total expenses* decreased by **23%** compared to the approved budget, precisely by **Lei 68.270 thousand** lower than the budget primarily as a result of the savings made in relation to the gas purchase for technological consumption and in relation to other thirs party works and services.

The gross profit achieved is higher by **44%** than budgeted, precisely by **Lei 72.835 thousand** and the net profit is higher by **43%**, precisely by **Lei 60.288 thousand** compared to the budget.

The synthesis of the statement on the financial standing and on the gross result, as well as the main economic-financial indicators related to the reporting period are illustrated in Annexes 1-3.

We would like to point out that the financial statements related to 1 January – 31 March 2015 are non-audited and were prepared according to IFRS-UE.

**Petru Ion Văduva**  
**DIRECTOR GENERAL**

**Endorsed by:**

**Chief Financial Officer**

**Marius Lupean**

## ANNEX no.1

## Synthesis of the statement on the financial standing as at 31.03.2015

\*lei\*

Tag no.	Indicator name	31.12.2014	31.03.2015
<b>1.</b>	<b>Assets</b>		
	Fixed assets	3.728.936.167	3.708.327.509
	Current assets	996.065.240	1.161.964.355
	<b>Total</b>	<b>4.725.001.407</b>	<b>4.870.291.864</b>
<b>2.</b>	<b>Equity and debt</b>		
	Equity	3.326.967.426	3.526.273.232
	Long-term debt	1.077.684.027	1.070.478.401
	Current debt	320.349.954	273.540.231
	<b>Total</b>	<b>4.725.001.407</b>	<b>4.870.291.864</b>

Synthesis of the statement on the gross result related to the reporting period  
01.01.2015 - 31.03.2015

\*lei\*

Tag no.	Indicator name	31.03.2014	31.03.2015
	Operating revenues, out of which:	522.718.411	462.851.676
	- revenues from domestic transmission	448.134.697	370.401.862
	- revenues from international transmission	67.310.542	78.770.281
	Operating expenses	254.129.162	230.387.977
<b>1.</b>	<b>Operating result (profit)</b>	<b>268.589.249</b>	<b>232.463.699</b>
	Financial revenues	4.038.763	8.429.705
	Financial expenses	1.701.794	2.183.735
<b>2.</b>	<b>Financial result</b>	<b>2.336.969</b>	<b>6.245.970</b>
	Total revenues	526.757.174	471.281.381
	Total expenses	255.830.956	232.571.712
<b>3.</b>	<b>Gross result (profit)</b>	<b>270.926.218</b>	<b>238.709.669</b>
<b>4.</b>	Income tax	44.319.105	39.403.863
<b>5.</b>	<b>Net result (profit)</b>	<b>226.607.113</b>	<b>199.305.806</b>

**Main economic – financial indicators related to the reporting period**  
**01.01.2015 - 31.03.2015**

<b>Tag no.</b>	<b>Indicator name</b>	<b>31.03.2015</b>	<b>Result</b>
1.	Quick liquidity indicator	Current assets / current debts	4,25
2.	Leverage indicators		
2.1	Leverage indicator 1	Loan / Equity	0
2.2	Leverage indicator 2	Loan / invested capital	0
3.	Speed of debit clients – days	Client average balance x 90 / turnover	83,75
4.	Speed of fixed assets	Turnover /fixed assets	0,12