

REPORT AND ISSUER IDENTIFICATION DATA

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

Date of report: 12 November 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 THE ECONOMIC AND FINANCIAL ACTIVITY OF TRANSGAZ
as of 30.09.2015
(1 January – 30 September 2015)

The activity of the company is performed according to the objectives set under Government Resolution No. 334/May 2000 on the incorporation of the company.

This report analyzes the indicators obtained by SNTGN Transgaz SA Medias on 30 September 2015 compared to the corresponding period of the previous year and to the income and expense budget indicators approved by G. R. No. 237/07.04.2015.

thousand RON

No.	Name	Obtained between 1.01-30.09.2014	Obtained between 1.01-30.09.2015	Increase
0	1	2	3	4=3/2x100
1.	Operating revenue	1.202.238	1.233.069	3%
2.	Financial revenue	23.884	24.446	2%
3.	TOTAL REVENUE	1.226.122	1.257.515	3%
4.	Operating costs	767.416	775.914	1%
5.	Financial costs	3.762	7.335	95%
6.	TOTAL COSTS	771.178	783.249	2%
7.	GROSS PROFIT (row 3–row 6) of which:	454.944	474.266	4%
	• from operation	434.822	457.154	5%
	• from the financial activity	20.122	17.112	-15%
8.	Income tax	80.907	89.946	11%
9.	NET PROFIT	374.037	384.320	3%

The total revenue is higher by **3%** compared to the corresponding period of year 2014, which is higher by **RON 31.393 thousand**, due mainly to the increasing of international transmission services based on the foreign exchange rates changes regarding the contract currency, and of other operating exchanges based on the recording of the amounts related to the reversal of the deferred revenue acknowledged

by Transgaz considering the right to receive the remaining value of the NTS investments at the end of the Concession Agreement.

Starting with the third year of the third regulatory period (2014-2015), the total revenue at the basis of the tariff setting for the transmission activity is allocated 50% for the fix component and 50% for the volumetric component, which results in the redistribution of the transmission revenue as follows: the decreasing of transmission revenue in winter quarters, based on the lowering of revenue from the volumes transmitted, and the increasing of transmission revenue in summer quarters, based on the increasing of revenue from capacity booking, compared to the previous gas year.

*The total costs increased by 2% compared to the same period of year 2014, which is higher by **RON 12.071 thousand**, due mainly the increase in other operating expenses due to the fact that, in 2015, an additional provision related to Interagro and Electrocentrale Bucuresti was set up.*

As compared to the same period of year 2014 the gross profit achieved between 01.01-30.09.2015 is higher by 4%, meaning RON 19.322 thousand).

Analysis of the financial and economic indicators obtained at 30 September 2015 compared to the income and expense budget approved by G. R. No. 237/07.04.2015

The main financial and economic indicators obtained between 1 January and 30 September 2015, compared to income and expense budget indicators, are presented in the following table:

thousand RON

No.	Name	IEB 1.01-30.09.2015	Obtained between 1.01-30.09.2015	Increase
0	1	2	3	$4=3/2 \times 100 - 100$
1.	Operating revenue	1.254.744	1.233.069	-2%
2.	Financial revenue	7.808	24.446	213%
3.	TOTAL REVENUE	1.262.552	1.257.515	0%
4.	Operating costs	905.192	775.914	-14%
5.	Financial costs	2.990	7.335	145%
6.	TOTAL COSTS	908.182	783.249	-14%
7.	GROSS PROFIT (row 3–row 6) of which:	354.370	474.266	34%
	• from operation	349.552	457.154	31%
	• from the financial activity	4.818	17.112	255%
8.	Income tax	51.617	89.946	74%
9.	NET PROFIT	302.753	384.320	27%

The total revenue is lower by **RON 5.037 thousand**, being sensibly equal to those foreseen into the IEB.

The revenue is influenced by the decreasing of the revenue from the transmission activity and by the increasing of other operating revenue due to the recording of the amounts related to the reversal of the deferred revenue acknowledged by Transgaz considering the right to receive the remaining value of the NTS investments at the end of the Concession Agreement, and of the interest income recorded following determination of the debt present value for the regulated value remaining unamortised of the regulated asset base at the end of the concession agreement.

The total costs decreased by **14%** as compared to the programme approved, which is lower by **RON 124.933 thousand**, as compared to the IEB, mainly due to technological consumption gas procurement cost and third party works and services savings.

The gross profit is higher by 34% as compared to the programme, being higher by RON 119.896 thousand as compared to the IEB, and the net profit is higher by 27% as compared to the programme, being higher by RON 81.567 thousand as compared to the IEB.

The syntheses of the Statement of financial position and of the Statement of comprehensive income, as well as the main economic and financial indicators of the reporting period are presented in Annexes 1-3.

The financial statements for the period 1 January – 30 September 2015 are not audited and were prepared according to the IFRS-EU.

DIRECTOR-GENERAL
Petru Ion Văduva

Chief Financial Officer
Marius Lupean

ANNEX 1**The synthesis of the Statement of financial position as of 30.09.2015*****RON***

No.	Name	31.12.2014	30.09.2015
1.	Assets		
	Non-current assets	3.728.936.167	3.786.803.056
	Current assets	996.065.240	1.010.412.801
	Total	4.725.001.407	4.797.215.857
2.	Equity and liabilities		
	Equity	3.326.967.426	3.454.617.832
	Non-current liabilities	1.077.684.027	1.083.104.954
	Current liabilities	320.349.954	259.493.070
	Total	4.725.001.407	4.797.215.857

**The synthesis of the Statement of comprehensive income
01.01.2015 - 30.09.2015*****RON***

No.	Name	30.09.2014	30.09.2015
	Operating revenue, of which:	1 202 238 365	1 233 068 630
	- revenue from the domestic transmission activity	980 738 639	950 325 551
	- revenue from the international transmission activity	201 770 241	237 403 516
	Operating costs	767 416 087	775 914 409
1.	Operating profit	434 822 277	457 154 221
	Financial revenue	23 883 963	24 446 408
	Financial costs	3 761 969	7 334 813
2.	Financial profit	20 121 994	17 111 596
	Total revenue	1 226 122 327	1 257 515 038
	Total costs	771 178 056	783 249 222
3.	Gross profit	454 944 271	474 265 816
4.	Income tax	80 907 035	89 945 611
5.	Net profit	374 037 236	384 320 205

**The main economic and financial indicators for
the 01.01.2015 - 30.09.2015 reporting period**

No.	Name	30.09.2015	Result
1.	Current ratio	Current assets / Current liabilities	3,89
2.	Indebtness ratios		
2.1	Indebtness ratio 1	Borrowed capital / Equity	0
2.2	Indebtness ratio 2	Borrowed capital / Capital employed	0
3.	Days sales outstanding	Average balance clients x 273 / Turnover	94,02
4.	Non-current assets turnover	Turnover/ Non-current assets	0,314