REPORT AND ISSUER IDENTIFICATION DATA

Quarterly report according to the provisions of art. 227 of Law no. 297/2004
Date of report: 12 November 2014
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`S ECONOMIC AND FINANCIAL ACTIVITY
as of 30.09.2014
(from 1 January – 30 September 2014)

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 2014 compared to the corresponding period of the previous year and to the income and expense budget indicators approved by G. R. no. 462/4 June 2014.

thousand RON

No.	Name	Obtained between 1.01-30.09.2013	Obtained between 1.01-30.09.2014	Increase
0	1	2	3	4=3/2x100-100
1.	Operating income	1.050.117	1.206.655	15%
2.	Financial income	15.395	23.884	55%
3.	**TOTAL INCOME**	**1.065.512**	**1.230.539**	**15%**
4.	Operating costs	709.649	771.832	9%
5.	Financial costs	117.858	3.762	-97%
6.	**TOTAL COSTS**	**827.507**	**775.594**	**-6%**
7.	**GROSS PROFIT**(row 3–row 6) of which:	**238.005**	**454.944**	**91%**
	• from operation	340.468	434.822	28%
	• from the financial activity	-102.463	20.122	X
8.	**Income tax**	**76.385**	**80.907**	**6%**
9.	**NET PROFIT**	**161.620**	**374.037**	**131%**

The total income is higher by **15%** compared to the corresponding period of year 2013, which is higher by **165.027 thousand RON**, due mainly to the increasing of the capacity booking tariff as compared to the same period of the previous year.

Financial income increased due to the receiving of an advance payment from the liquidation of NIC and the settlement of the amounts transferred into an escrow account by the Shah Deniz consortium.

The total costs decreased by **6%** compared to the same period of year 2013, which is lower by **51.913 thousand RON,** and due mainly to the financial costs savings (in the previous year it was set the 110.671 thousand RON provision on impairment of Transgaz`s share to the Nabucco Gas Pipeline International GmbH equity).

As compared to the same period of year 2013 **the gross profit** is higher by **91% (216.939 thousand RON)** and **the net profit is higher by 131% (212.418 thousand RON).**

Analysis of the financial and economic indicators obtained at 30 September 2014 compared to the income and expense budget approved by G. R. no. 462/04.06.2014

The synthesis of the financial results obtained at 30 September 2014 is represented in the following table:

thousand RON

No.	Name	IEB 1.01-30.09.2014	Obtained between 1.01-30.09.2013	Increase
0	1	2	3	4=3/2x100-100
1.	Operating income	1.210.299	1.206.655	0%
2.	Financial income	12.679	23.884	88%
3.	**TOTAL INCOME**	**1.222.978**	**1.230.539**	**1%**
4.	Operating costs	911.523	771.832	-15%
5.	Financial costs	7.814	3.762	-52%
6.	**TOTAL COSTS**	**919.337**	**775.594**	**-16%**
7.	**GROSS PROFIT**(row 3–row 6) of which:	**303.641**	**454.944**	**50%**
	• from operation	298.776	434.822	46%
	• from the financial activity	4.865	20.122	314%
8.	**Income tax**	**66.663**	**80.907**	**21%**
9.	**NET PROFIT**	**236.978**	**374.037**	**58%**

The total income is higher by **7.561 thousand RON**, being sensibly equal to those foreseen into the IEB. The income increased mainly due to the increasing of the financial income by the receiving of an advance payment from the liquidation of NIC and the settlement of the amounts transferred into an escrow account by the Shah Deniz consortium.

The total costs decreased by **16%** as compared to the programme approved, which is lower by **143.743 thousand RON**, mainly due to technological consumption gas procurement cost and third party works and services savings.

The gross profit is higher by **50% (151.303 thousand RON)**, as compared to the programme, and **the net profit is higher by 58% (137.059 thousand RON).**

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 2014 are not audited and were prepared according to the IFRS-EU.

DIRECTOR-GENERAL
Petru Ion Văduva

Chief Financial Officer
Marius Lupean

ANNEX no.1

The synthesis of the Statement of financial position as of 30.09.2014

No.	Name	31.12.2013	30.09.2014
1.	**Assets**		
	Non-current assets	3.234.879.108	3.186.217.140
	Current assets	700.208.700	871.805.800
	Total	**3.935.087.808**	**4.058.022.940**
2.	**Equity and liabilities**		
	Equity	3.072.633.293	3.239.686.352
	Non-current liabilities	539.417.258	507.086.591
	Current liabilities	323.037.257	311.249.997
	Total	**3.935.087.808**	**4.058.022.940**

The synthesis of the Statement of comprehensive income 01.01.2014 - 30.09.2014

No.	Name	30.09.2013	30.09.2014
	Operating income, of which:	1.050.117.024	1.206.654.633
	- income from the transmission activity	824.052.743	980.738.639
	- income from the international transmission activity	202.420.299	201.770.241
	Operating costs	709.648.565	771.832.355
1.	**Operating profit**	**340.468.459**	**434.822.278**
	Financial income	15.394.864	23.883.963
	Financial costs	117.858.491	3.761.969
2.	**Financial profit**	**-102.463.627**	**20.121.994**
	Total income	1.065.511.888	1.230.538.596
	Total costs	827.507.056	775.594.324
3.	**Gross profit**	**238.004.832**	**454.944.272**
4.	Income tax	76.384.965	80.907.035
5.	**Net profit**	**161.619.867**	**374.037.237**

The main economic and financial indicators for the 01.01.2014 - 30.09.2014 reporting period

No.	Name	30.09.2014	Result
1.	Current ratio	Current assets / Current liabilities	2,80
2.	Indebtness ratios		
2.1	Indebtness ratio 1	Borrowed capital / Equity	0,19%
2.2	Indebtness ratio 2	Borrowed capital / Capital employed	0,18%
3.	Days sales outstanding	Average balance clients x 273 / Turnover	87,17
4.	Non-current assets turnover	Turnover/ Non-current assets	0,37