

**CNTEE Tranelectrica SA**  
**Company managed in two tier system**

Preliminary Separate Financial Statements  
At the date and for the year ended  
**December 31, 2015**

Prepared in accordance with  
**Minister of Finance Order no. 1286/2012**  
**approving the International Financial Reporting Standards**  
**applicable to companies whose securities are admitted to trading on a regulated market,**  
**as subsequently amended**

**CNTEE Transelectrica SA**

Preliminary separate statement of financial position for the year ended at December 31, 2015

*(All amounts are in LEI, unless stated otherwise)*

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	3,306,965,238	3,387,759,611
Intangible assets	35,011,484	39,502,652
Financial assets	55,944,450	57,027,900
<b>Total non-current assets</b>	<b><u>3,397,921,172</u></b>	<b><u>3,484,290,163</u></b>
<b>Current assets</b>		
Inventories	34,959,985	35,680,518
Trade and other receivables	722,545,366	1,056,178,011
Cash and cash equivalents	1,044,536,258	865,237,573
<b>Total current assets</b>	<b><u>1,802,041,609</u></b>	<b><u>1,957,096,102</u></b>
<b>Total assets</b>	<b><u>5,199,962,781</u></b>	<b><u>5,441,386,265</u></b>
<b>Shareholders' equities and liabilities</b>		
<b>Shareholders' equities</b>		
Share capital, of which:	733,031,420	733,031,420
<i>Share capital subscribed</i>	<i>733,031,420</i>	<i>733,031,420</i>
Share premium	49,842,552	49,842,552
Legal reserves	99,715,224	78,424,484
Revaluation reserves	565,737,089	615,407,592
Other reserves	24,235,342	23,660,704
Retained earnings	1,502,038,021	1,312,739,568
<b>Total shareholders' equities</b>	<b><u>2,974,599,648</u></b>	<b><u>2,813,106,320</u></b>
<b>Non-current liabilities</b>		
Long term deferred revenues	494,180,747	552,768,103
Borrowings	634,589,744	792,043,629
Deferred tax liabilities	25,073,739	28,209,782
Employee benefit obligations	31,126,106	29,126,106
<b>Total non-current liabilities</b>	<b><u>1,184,970,336</u></b>	<b><u>1,402,147,620</u></b>

**CNTEE Transelectrica SA**

Preliminary separate statement of financial position for the year ended at December 31, 2015

*(All amounts are in LEI, unless stated otherwise)*

	<u>31 decembrie 2015</u>	<u>31 decembrie 2014</u>
<b>Current liabilities</b>		
Trade and other liabilities	780,524,070	945,656,726
Other tax and social security liabilities	6,763,195	7,577,887
Borrowings	167,362,315	200,678,234
Provisions	38,186,879	24,784,498
Short term deferred revenues	33,408,244	33,069,502
Income tax payable	14,148,094	14,365,478
<b>Total current liabilities</b>	<b><u>1,040,392,797</u></b>	<b><u>1,226,132,325</u></b>
<b>Total liabilities</b>	<b><u>2,225,363,133</u></b>	<b><u>2,628,279,945</u></b>
<b>Total shareholders' equities and liabilities</b>	<b><u>5,199,962,781</u></b>	<b><u>5,441,386,265</u></b>

**Directorate,**

<b>Ion-Toni TEAU</b>	<b>Constantin VĂDUVA</b>	<b>Octavian LOHAN</b>	<b>Ion SMEEIANU</b>	<b>Cătălin Lucian CHIMIREL</b>
Directorate Chairman	Directorate Member	Directorate Member	Directorate Member	Directorate Member

**Maria  
IONESCU**  
Economic Director

**Cristina  
STOIAN**  
Director, Financial & Treasury Division

**Veronica  
CRIȘU**  
Manager, Accounting Department

**CNTEE Transelectrica SA**

Preliminary separate statement of profit or loss account for the year ended at December 31, 2015

*(All amounts are in LEI, unless stated otherwise)*

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Transmission revenues	1,284,728,068	1,309,064,102
System service revenues	731,205,272	750,904,194
Balancing market revenues	923,022,816	703,376,447
Other revenues	45,535,785	54,113,408
<b>Total revenues</b>	<b><u>2,984,491,941</u></b>	<b><u>2,817,458,151</u></b>
<b>Operational expenses</b>		
System operating expenses	(238,552,409)	(238,348,566)
Balancing market expenses	(923,022,816)	(703,376,447)
Technological system service expenses	(637,652,613)	(653,440,800)
Amortisement	(318,482,383)	(333,805,160)
Personnel expenses	(189,654,440)	(187,682,777)
Repairs and maintenance	(87,989,627)	(94,254,837)
Materials and consumables	(8,957,556)	(8,711,394)
Other operational expenses	(126,360,959)	(157,536,451)
<b>Total operational expenses</b>	<b><u>(2,530,672,803)</u></b>	<b><u>(2,377,156,432)</u></b>
<b>Operating profit</b>	<b><u>453,819,138</u></b>	<b><u>440,301,719</u></b>
Financial revenues	48,173,075	57,148,114
Financial expenses	(66,911,976)	(65,643,745)
<b>Net financial result</b>	<b><u>(18,738,901)</u></b>	<b><u>(8,495,631)</u></b>
<b>Profit before tax</b>	<b><u>435,080,237</u></b>	<b><u>431,806,088</u></b>
Income tax	(68,670,849)	(74,189,601)
<b>Profit of the period</b>	<b><u>366,409,388<sup>1</sup></u></b>	<b><u>357,616,487</u></b>
<b>Basic result and diluted per share (lei / share)</b>	<b><u>4.9985</u></b>	<b><u>4.88</u></b>

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<sup>1</sup> There is a possibility following the conclusion of discussions with the external auditor of the Company of the registration value adjustments for impairment of receivables and intangible assets recorded in the accounts, according to footnotes 1 and 3 of the Preliminary Report January-December 2015

**CNTEE Transelectrica SA**

Preliminary separate statement of cash flows for the year ended at December 31, 2015

*(All amounts are in LEI, unless stated otherwise)*

	<b>2015</b>	<b>2014</b>
<b>Cash flows from operational activities</b>		
Profit of the period	366,409,388	357,616,487
<b>Adjustments for:</b>		
Income tax expense	68,670,849	74,189,601
Depreciation and amortisement	318,482,383	333,805,160
Provisions for impairment of trade receivables and other receivables	30,189,272	40,613,736
Reversal of provisions for impairment of trade receivables and other receivables	(25,950,927)	(11,577,468)
Net loss from disposal of property, plant and equipment	1,118,918	509,246
Reversal of adjustments for property, plant and equipment	7,372,231	5,582,551
Net reversal of adjustments for provisions of risks and charges	16,816,407	13,318,610
Interest expenses, interest revenues and unrealised exchange rate gains	18,768,695	8,426,409
<b>Cash flows before changing the current capital</b>	<b>801,877,216</b>	<b>822,484,332</b>
<b>Changes to:</b>		
Trade and other receivables	328,152,632	(238,842,710)
Inventories	720,533	1,298,057
Trade and other liabilities	(184,298,829)	285,423,026
Other tax and social security liabilities	(814,692)	(571,389)
Deferred revenues	(57,801,177)	19,845,001
<b>Cash flows from operational activities</b>	<b>887,835,683</b>	<b>889,636,316</b>
Interest paid	(30,710,768)	(37,810,976)
Income tax paid	(52,472,286)	(77,717,059)
<b>Net cash from operational activities</b>	<b>804,652,629</b>	<b>774,108,281</b>
<b>Cash flows used in investments</b>		
Procurement of property, plant and equipment and of intangible assets	(242,461,355)	(187,474,073)
Proceeds from sales of property, plant and equipment	0	1,981
Interest received	11,729,285	14,102,516
Dividends received	7,072,102	13,224,368
<b>Net cash used in investments</b>	<b>(223,659,968)</b>	<b>(160,145,208)</b>
<b>Cash flows used in financing activities</b>		
Repayments of long term borrowings	(196,387,449)	(184,776,454)
Dividends paid	(205,306,527)	(164,647,809)
<b>Net cash used in financing activities</b>	<b>(401,693,976)</b>	<b>(349,424,263)</b>
<b>Net increase of cash and cash equivalents</b>	<b>179,298,685</b>	<b>264,538,810</b>
<b>Cash and cash equivalents on 1 January</b>	<b>865,237,573</b>	<b>600,698,763</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,044,536,258</b>	<b>865,237,573</b>

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