



Transelectrica
Compania Națională
de Transport
al Energiei Electrice

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TRANSELECTRICA

Interim results – H1 2009

Full 2009 outlook

2010 perspectives

Bucharest, October 2nd, 2009



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Interim results – H1 2009

key results

§ key figures
§ H1 2009 P&L results

analysis

§ operational activity
§ financial result



Interim results – H1 2009

key results

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§ financial result

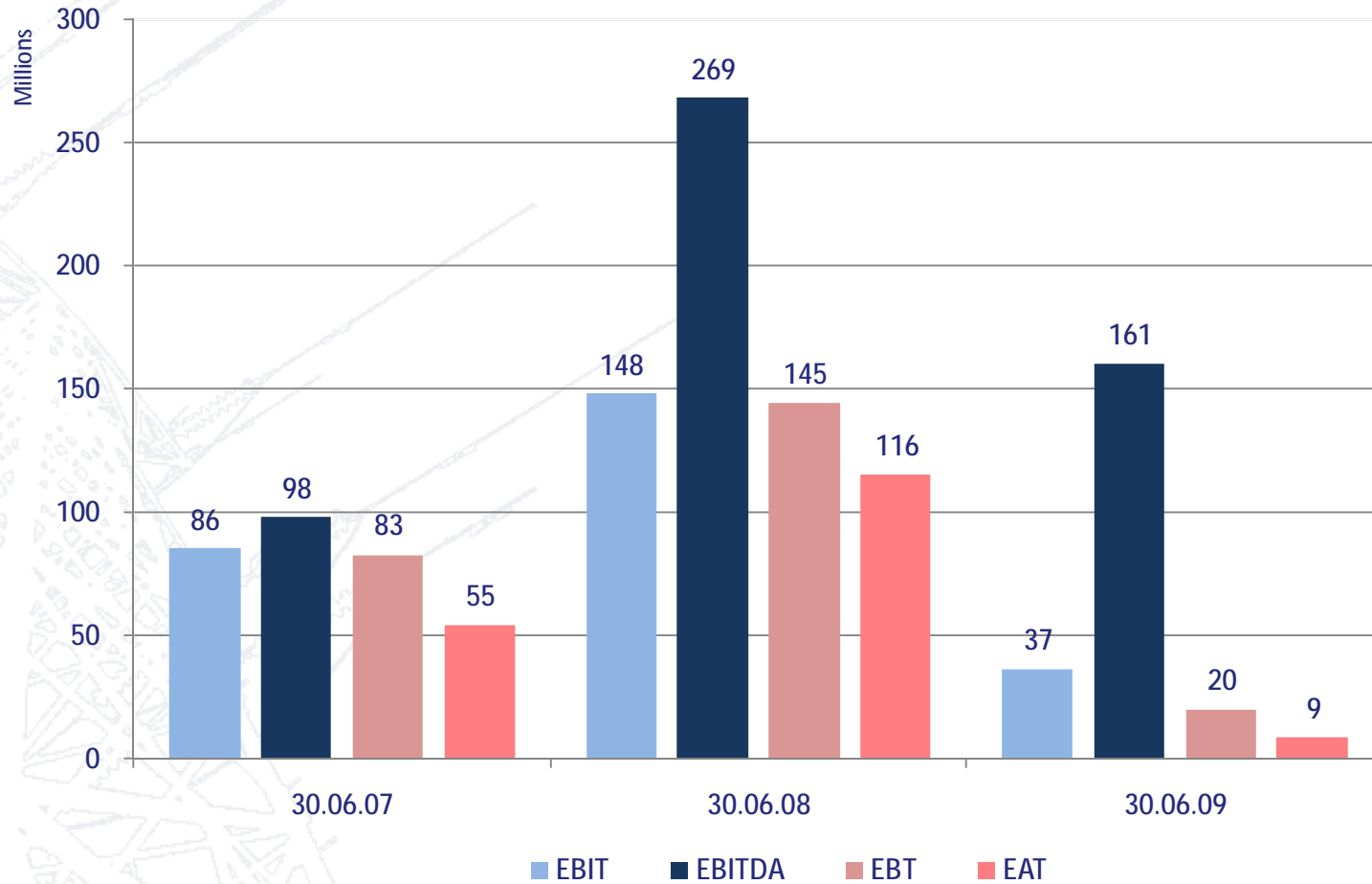


Key-figures – RAS

Metric (RON mil)	H1 08	H1 09	Q1 08	Q1 09	Q2 08	Q2 09
Operating revenues	1,366	1,260	793	698	573	562
EBITDA	269	161	172	131	97	30
<i>margin (%)</i>	<i>19.9</i>	<i>12.9</i>	<i>21.8</i>	<i>18.9</i>	<i>17.2</i>	<i>5.4</i>
EBIT	148	37	112	69	36	-32
<i>margin (%)</i>	<i>10.9</i>	<i>2.9</i>	<i>14.3</i>	<i>9.9</i>	<i>6.4</i>	<i>-5.8</i>
Before-tax profit (EBT)	145	20	110	66	35	-46
<i>margin (%)</i>	<i>10.7</i>	<i>1.6</i>	<i>13.9</i>	<i>9.5</i>	<i>6.2</i>	<i>-8.2</i>
After-tax Profit (EAT)	116	9	82	47	33	-38
<i>margin (%)</i>	<i>8.6</i>	<i>0.7</i>	<i>10.4</i>	<i>6.8</i>	<i>5.9</i>	<i>-6.9</i>
Electricity volume (TWh)	29.8	26.4	16.1	14.6	13.8	11.8



Profit & loss – RAS





H1 2009 profit & loss – RAS

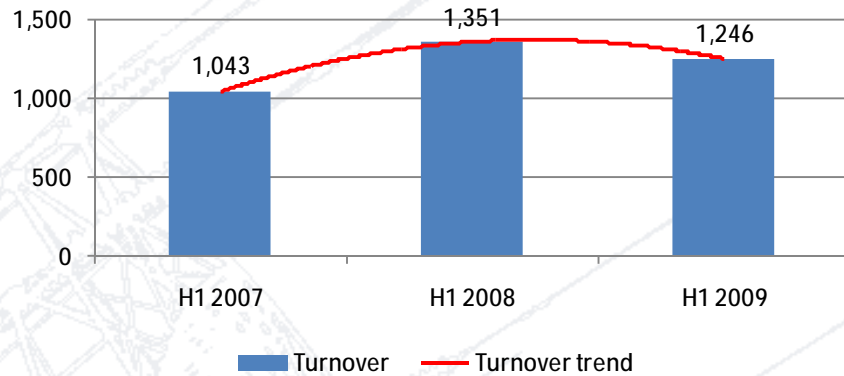
mil lei/%	Stand-alone (RAS)		
	H1 2007	H1 2008	H1 2009
Turnover	1,043	1,351	1,246
Operating revenues	1,069	1,366	1,260
Operating expenses	(984)	(1,217)	(1,223)
Operating result (EBIT)	86	148	37
Depreciation & amortization	100	120	124
EBITDA	186	269	161
Financial revenues	13	13	16
Financial expenses	(15)	(16)	(30)
Financial result	(2)	(3)	(14)
Total revenues	1,082	1,379	1,276
Total expenses	(999)	(1,234)	(1,256)*
Profit before tax (EBT)	83	145	20
Income tax	(29)	(29)	(11)
After-tax profit (EAT)	55	116	9

* Including extraordinary expenses

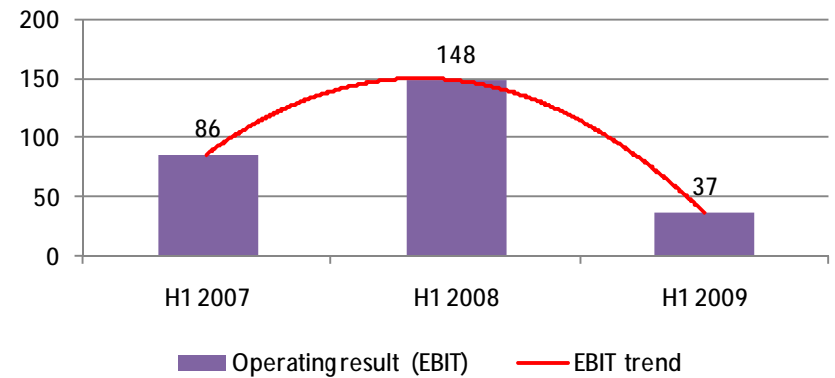


H1 2009 profit & loss – RAS

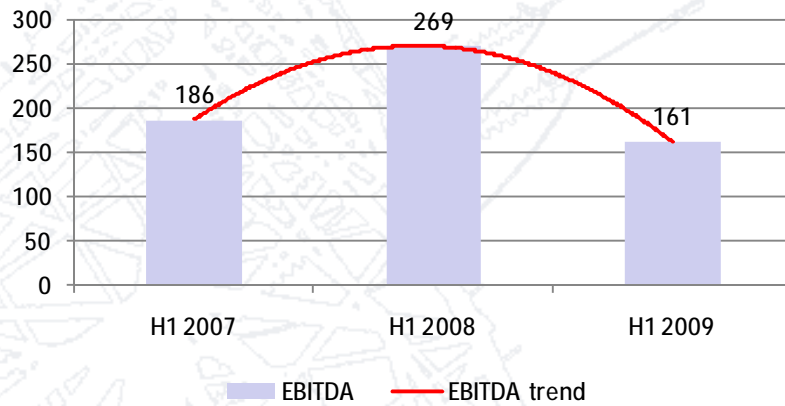
Turnover



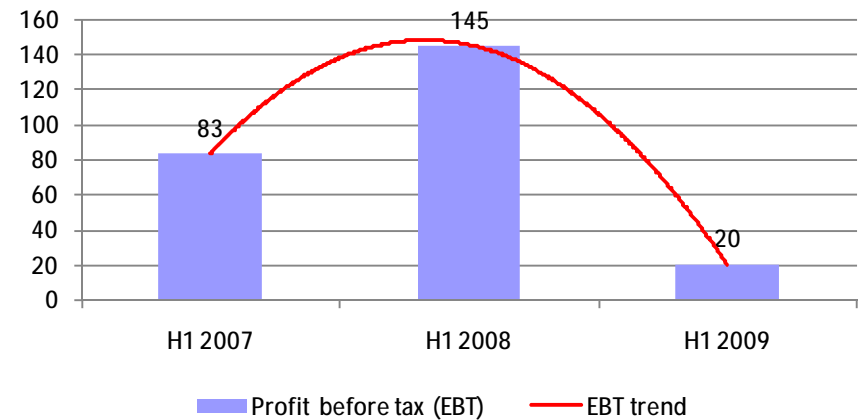
Operating result (EBIT)



EBITDA



Profit before tax (EBT)





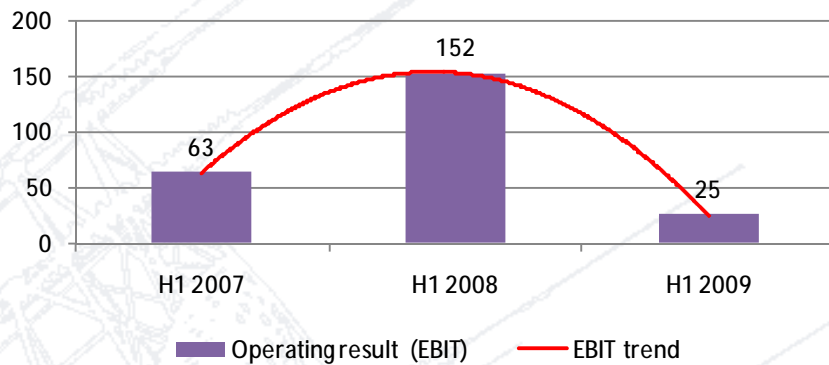
H1 2009 profit & loss – IFRS

mil lei/%	Consolidated IFRS		
	H1 2007	H1 2008	H1 2009
Operating revenues	1,105	1,385	1,267
Operating expenses	1,042	(1,233)	(1,242)
Operating result (EBIT)	63	152	25
Depreciation & amortization	93	114	126
EBITDA	156	266	151
Financial revenues	90	15	15
Financial expenses	(27)	(33)	(85)
Financial result	63	(18)	(70)
Profit before tax (EBT)	126	134	(46)
Income tax	(29)	(30)	2
After-tax profit (EAT)	97	104	(44)

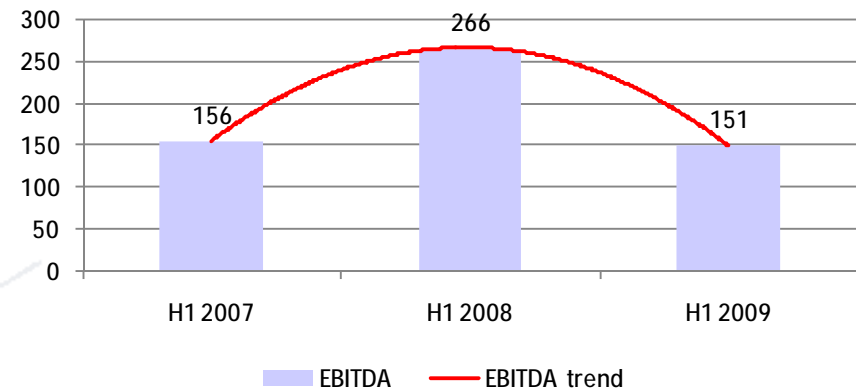


H1 2009 profit & loss – IFRS

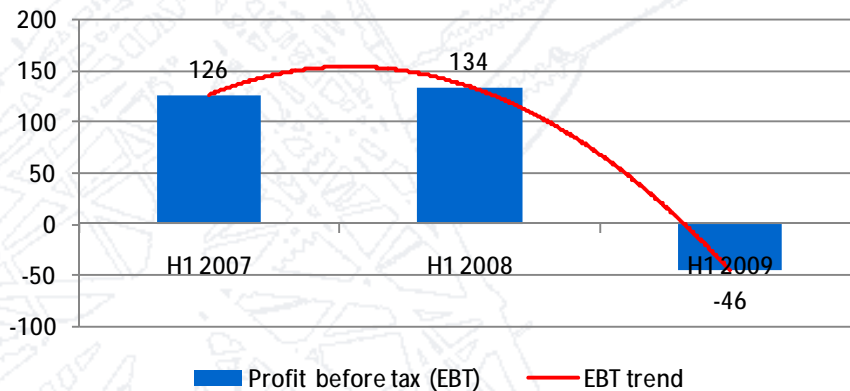
Operating result (EBIT)



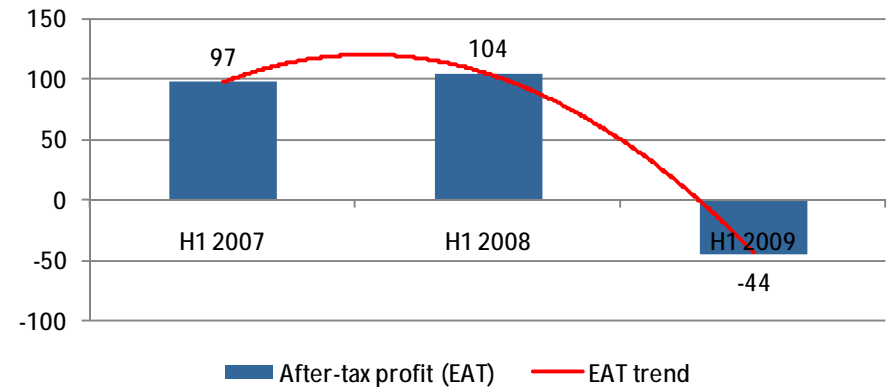
EBITDA



Profit before tax (EBT)



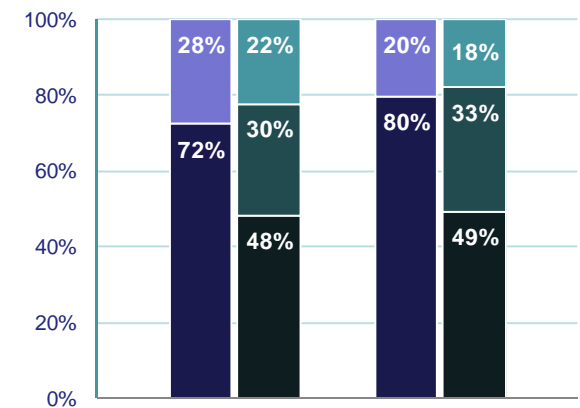
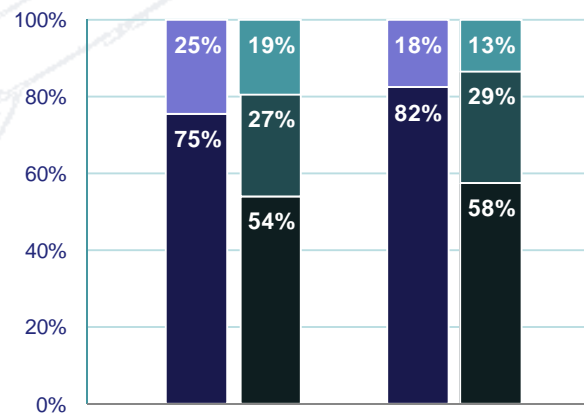
After-tax profit (EAT)





Balance sheet items

mil lei	Stand-alone (RAS)		Consolidated (IFRS)	
	31.12.08	30.06.09	31.12.08	30.06.09
Non-current assets	3,308	3,365	2,905	2,963
Current assets	1,076	731	1,115	760
TOTAL ASSETS	4,384	4,096	4,020	3,722
Equity	2,372	2,359	1,935	1,830
Non-current liabilities	1,171	1,196	1,193	1,229
Current liabilities	840	540	893	663
TOTAL EQUITY & LIABILITIES	4,384	4,096	4,020	3,722



key results

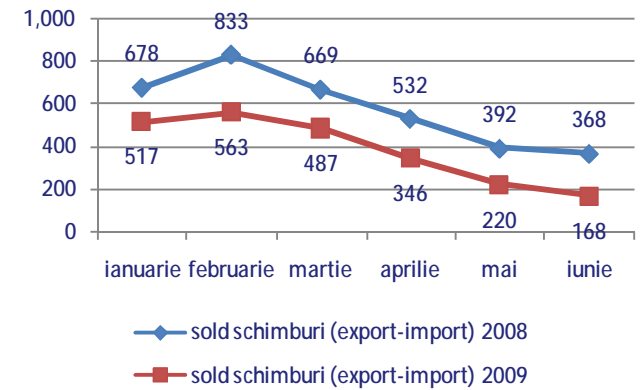
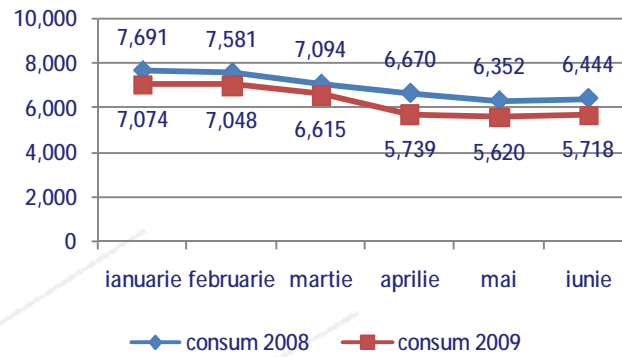
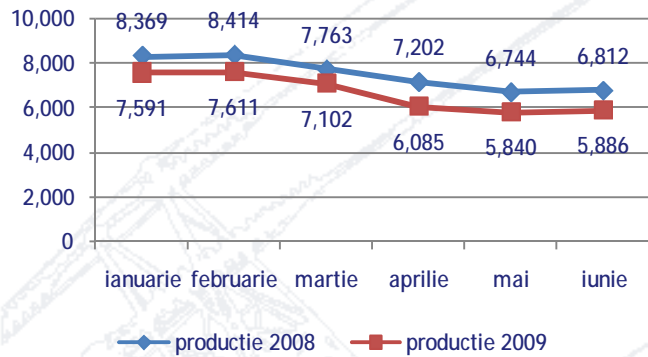
§ key figures
§ H1 2009 P&L results

analysis

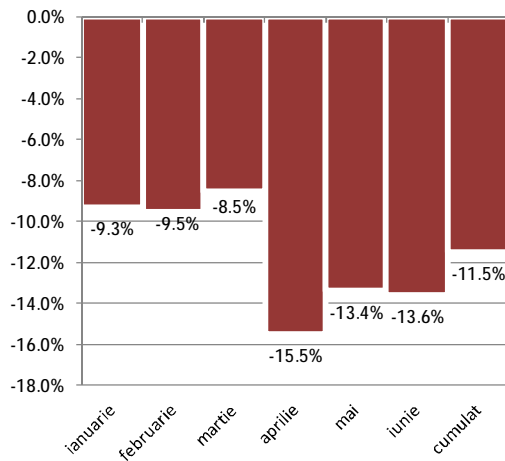
§ operational activity
§ financial result



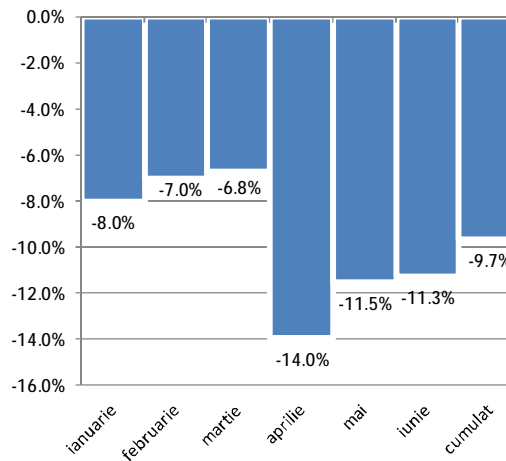
Energy production & consumption



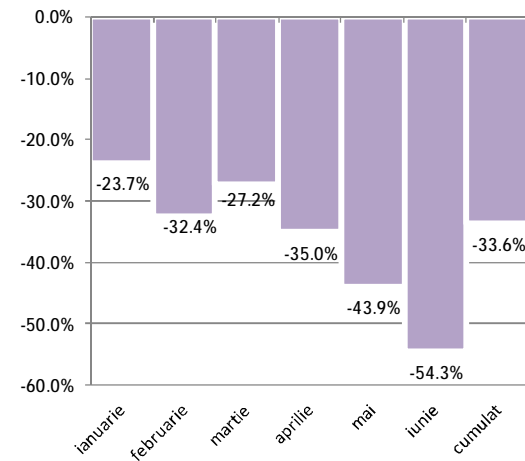
Productie



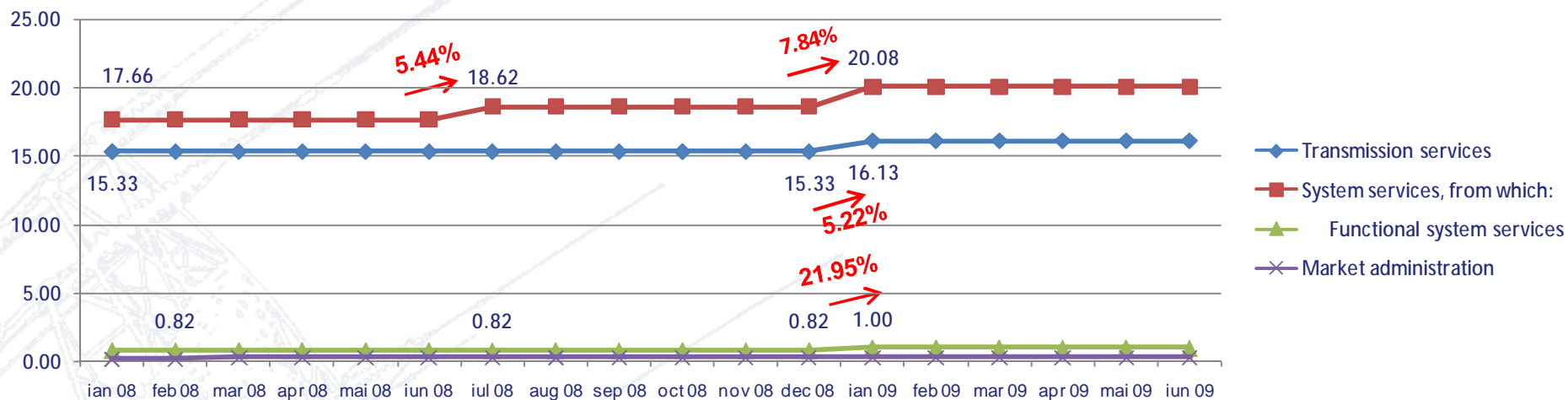
Consum



Sold schimburi



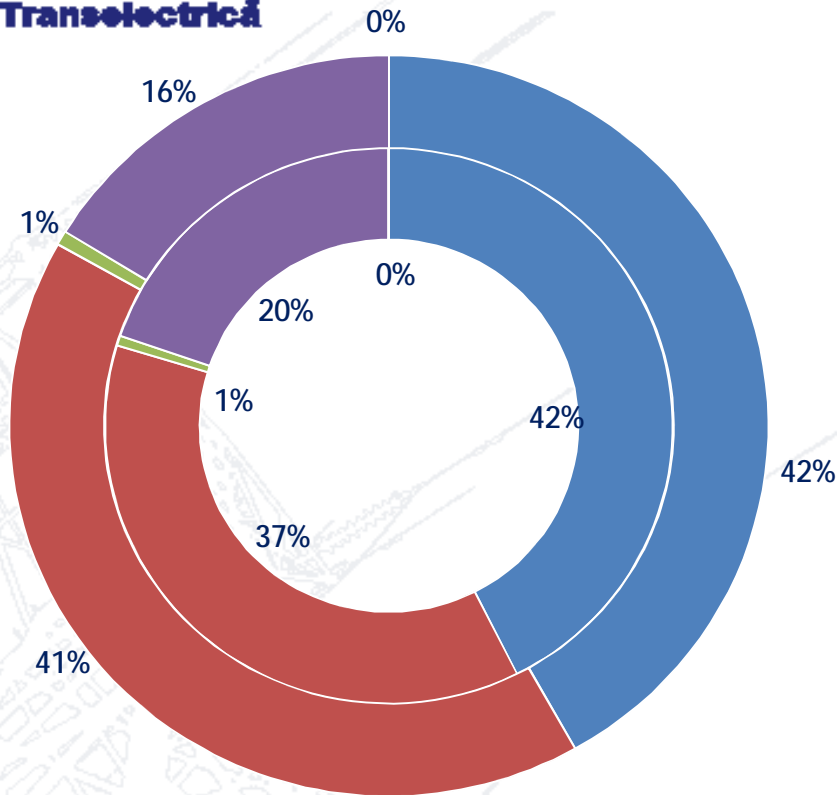
Tariffs



Service [lei/MWh, without VAT]	H1 08	H1 09
Transmission services	15.33	16.13
System services, from which:	17.66/18.62	20.08
Functional system services	0.82	1.00
Market administration	0.23/0.30	0.30

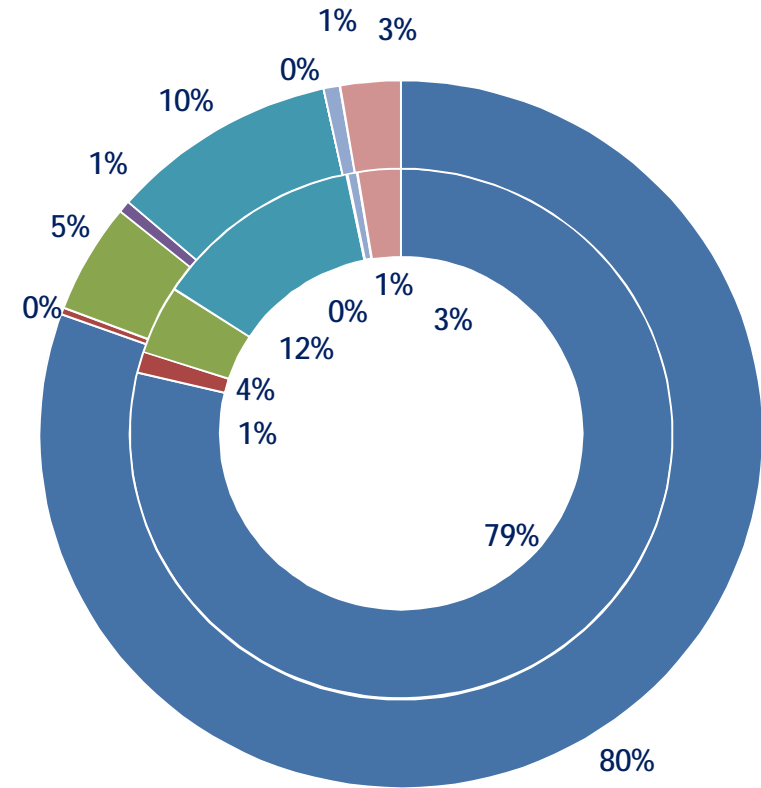


Activity analysis – revenues



- Venituri activitate care permite profit
- Venituri din servicii sistem tehnologice
- Venituri administrare piata
- Venituri piata echilibrare
- Venituri certificate verzi

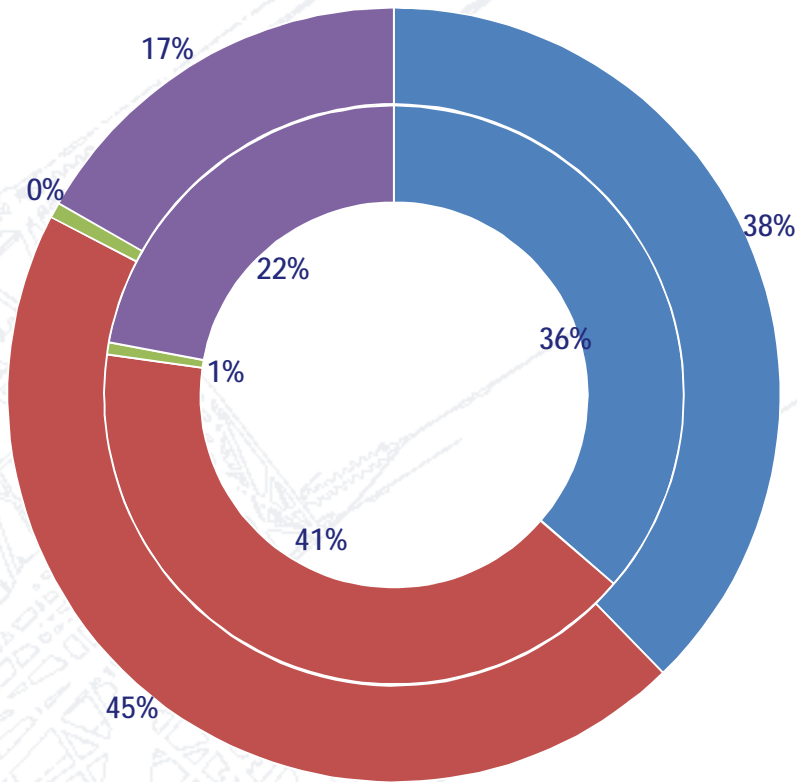
OPERATIONAL REVENUES
H1 2009/H1 2008



- Serviciul transport
- Furnizare energie reactiva
- Servicii sistem functionale
- Schimburi neplanificate PZU
- Alocare capacitate de interconexiune
- ITC
- Alte prestatii
- Alte venituri de exploatare

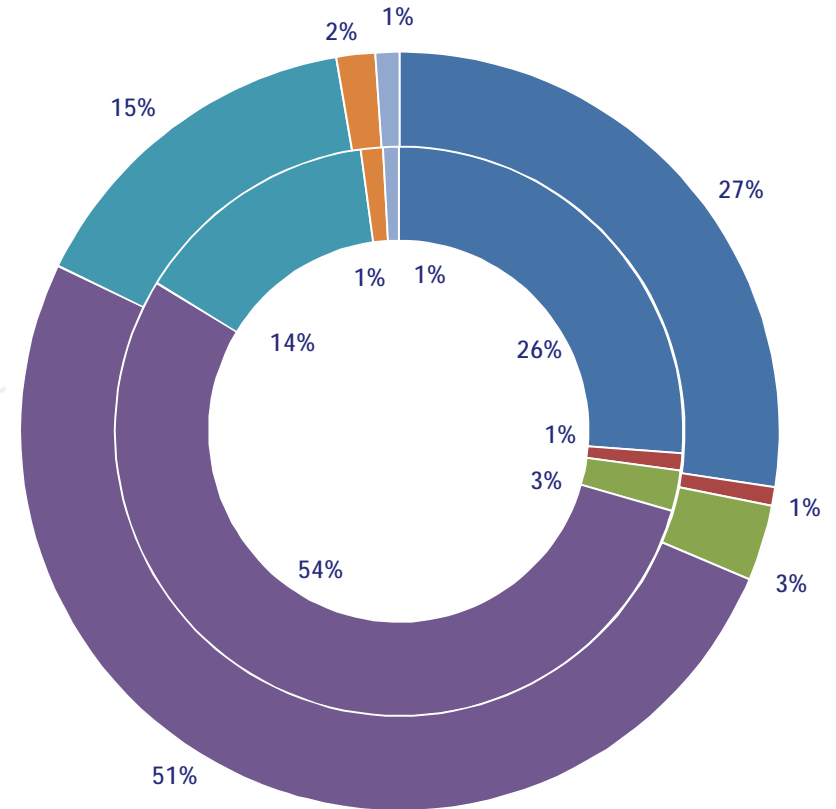
REVENUES for activities which allow PROFIT
H1 2009/H1 2008

Activity analysis – expenses



- Cheltuieli activitate care permite profit
- Cheltuieli servicii sistem
- Cheltuieli administrare piata
- Cheltuieli piata echilibrare

OPERATIONAL EXPENSES
H1 2009/H1 2008

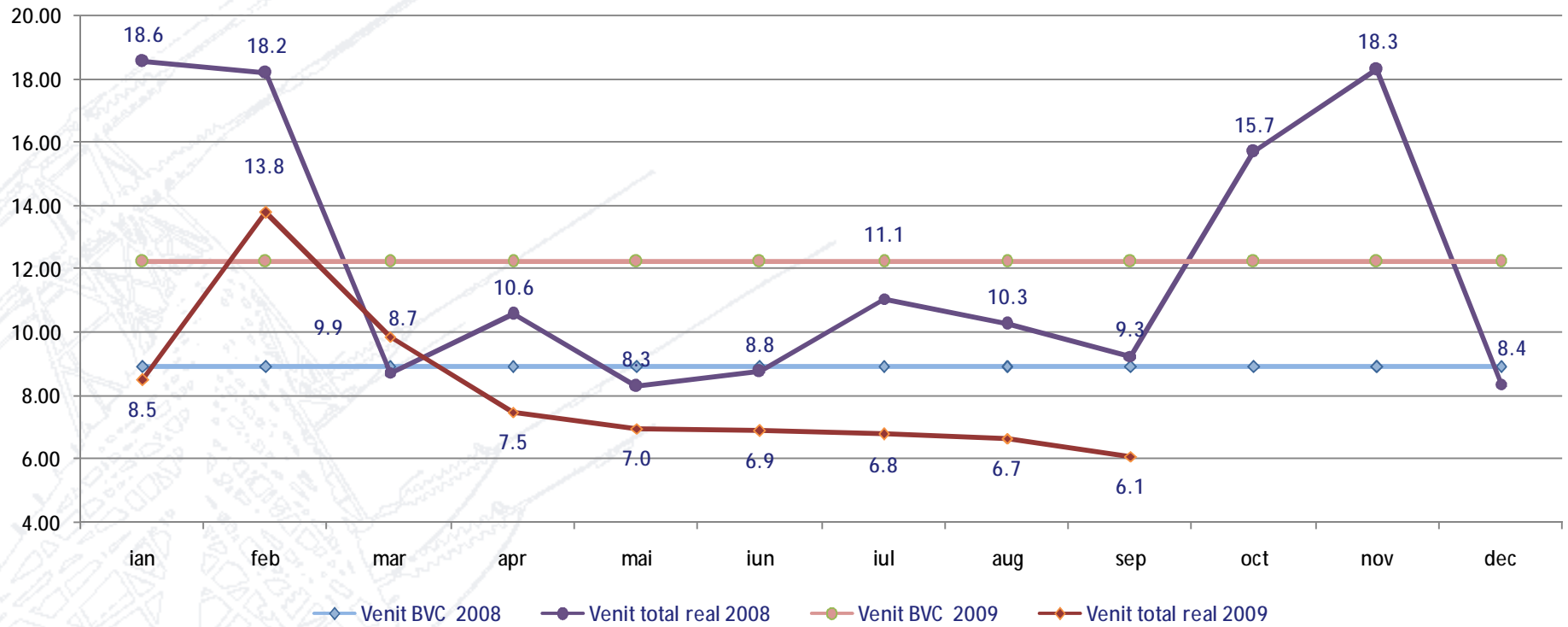


- Serviciul transport
- Servicii sistem functionale
- ITC
- Cheltuieli materiale
- Cheltuieli personal
- Impozite, taxe
- Alte cheltuieli exploatare

EXPENSES for activities which allow PROFIT
H1 2009/H1 2008



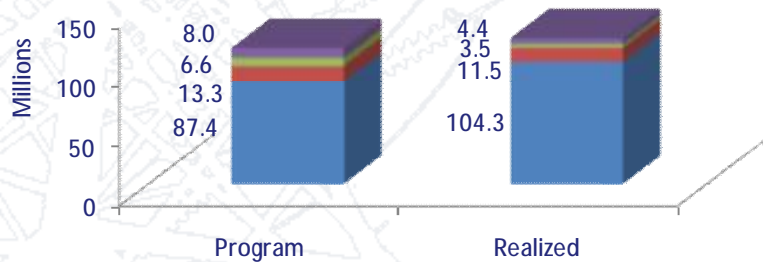
Interconnection capacity allocation





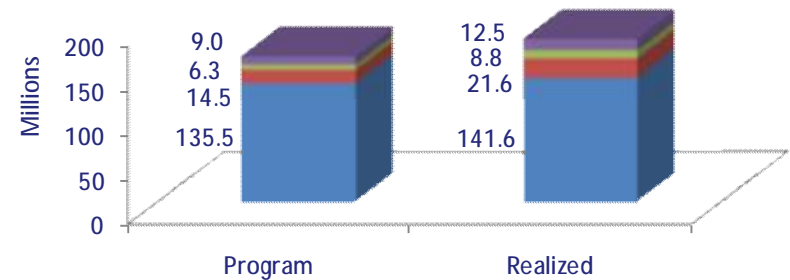
CAPEX

Investment expenses	Program/ Realized	Investments expenses [lei, without VAT]		
		H1 2008	H1 2009	%
TOTAL, from which:	Program	115,351,000	165,323,000	▲ 43.3%
	Realized	123,656,790	184,425,840	▲ 49.1%
MAIN INVESTMENTS	Program	87,376,070	135,500,000	▲ 55.1%
	Realized	104,271,460	141,558,320	▲ 35.8%
INVESTMENTS (branches&headquarters)	Program	13,331,280	14,500,000	▲ 8.8%
	Realized	11,479,960	21,614,740	▲ 88.3%
OTHER	Program	6,643,650	6,323,000	▼ 4.8%
	Realized	3,505,130	8,807,770	▲ 151.3%
NEW CONNECTIONS	Program	8,000,000	9,000,000	▲ 12.5%
	Realized	4,400,240	12,472,020	▲ 183.4%
COMMISSIONED	Program	30,000,000	110,000,000	▲ 266.7%
	Realized	28,514,000	106,820,116	▲ 274.6%



■ MAIN INVESTMENTS
■ Other

H1 2008



■ MAIN INVESTMENTS
■ Other

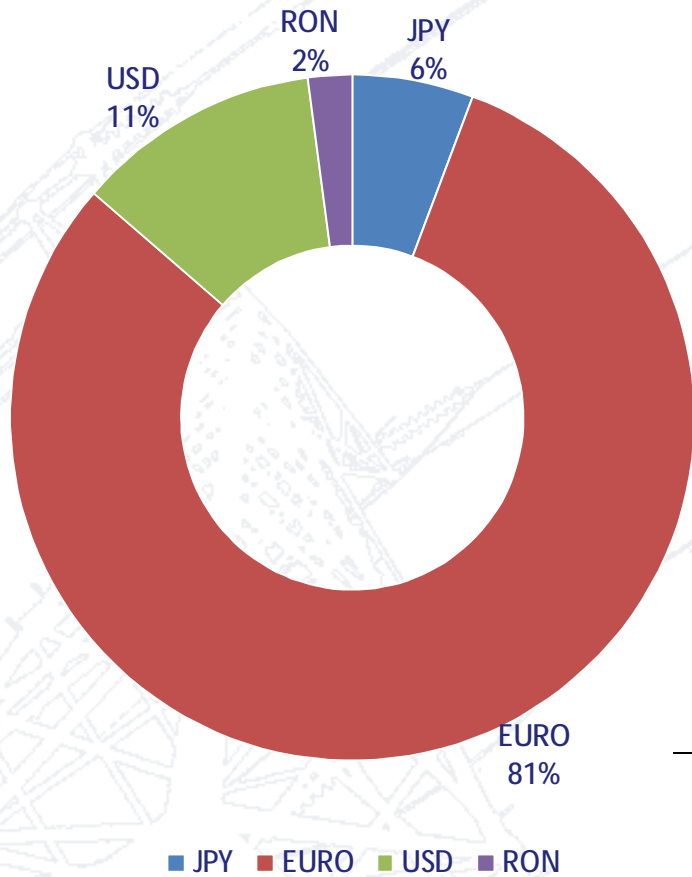
H1 2009

■ Investments (branches&headquarters)
■ NEW CONNECTIONS

■ Investments (branches&headquarters)
■ NEW CONNECTIONS



Loans

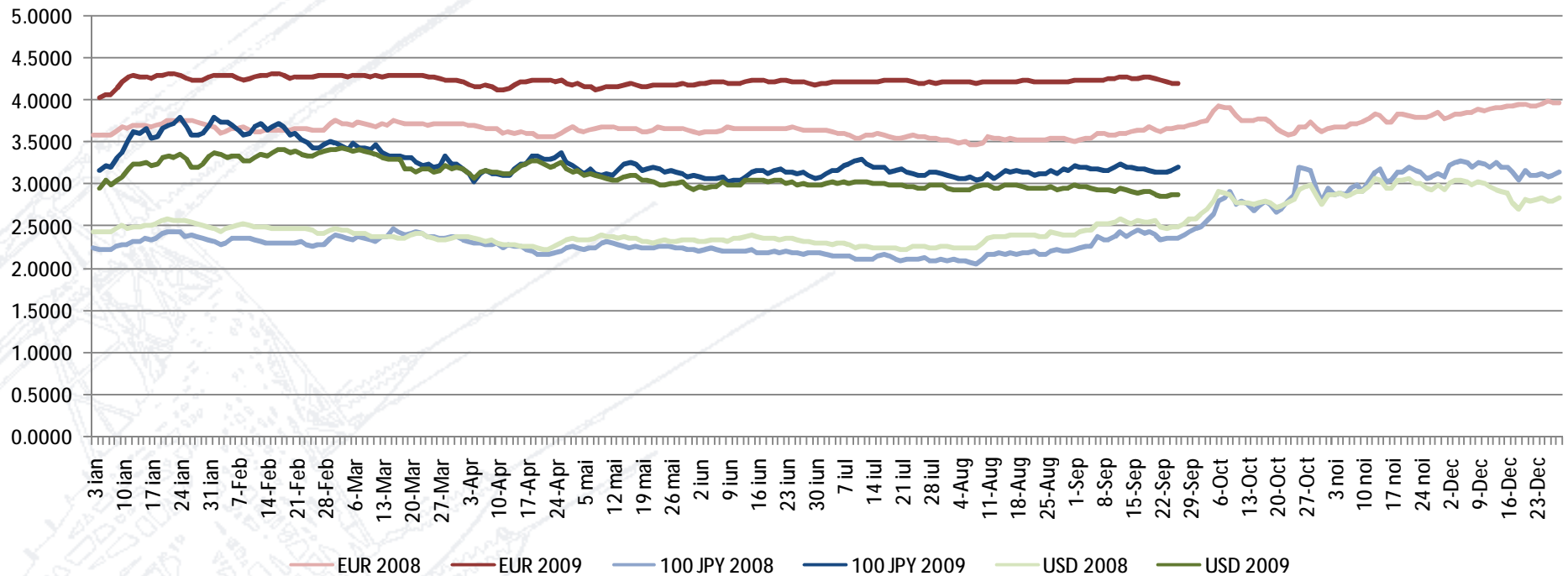


	TOTAL	Period <1year	Period >1year
JPY	61,765,198.25	4,117,711.30	57,647,486.95
EURO	872,204,761.42	50,102,901.23	822,101,860.19
USD	124,618,521.62	11,807,450.57	112,811,071.05
RON	22,500,000.00	2,500,000.00	20,000,000.00
TOTAL	1,081,088,481.29	68,528,063.10	1,012,560,418.19

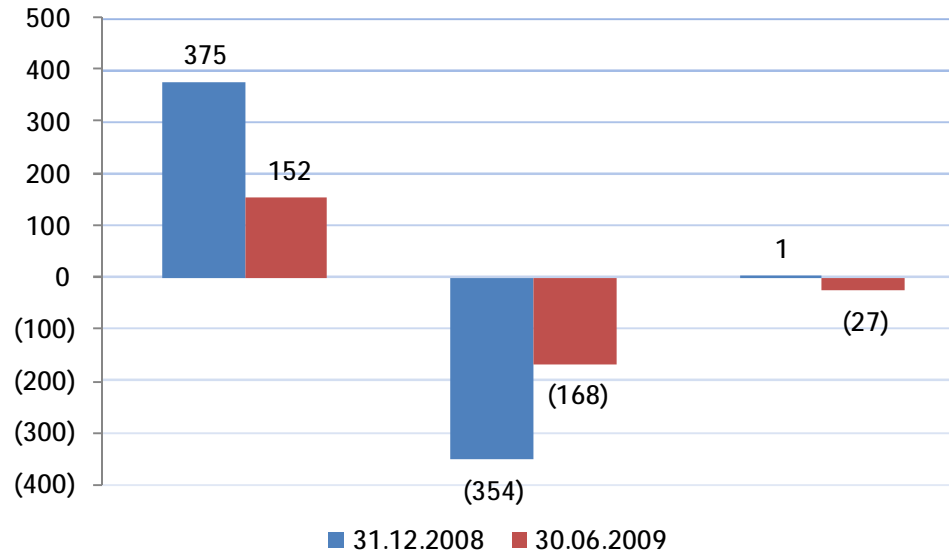
Agency	Current rating	Perspective	Last change	Comments
Moody's	Baa3	Negative	04.09.2009	
S&P's	BB+	Negative	30.10.2008	No contract starting 30.09.09



Loans



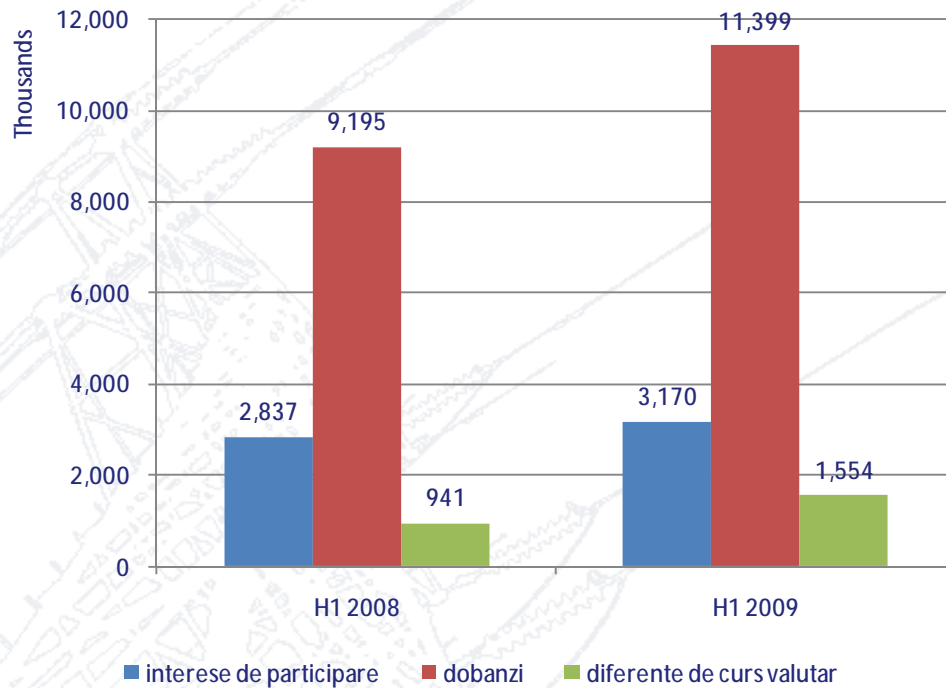
Currency	31.12.2008	30.06.2009
EUR	3.9852	4.2067
USD	2.8342	2.9792
100 JPY	3.1419	3.1095



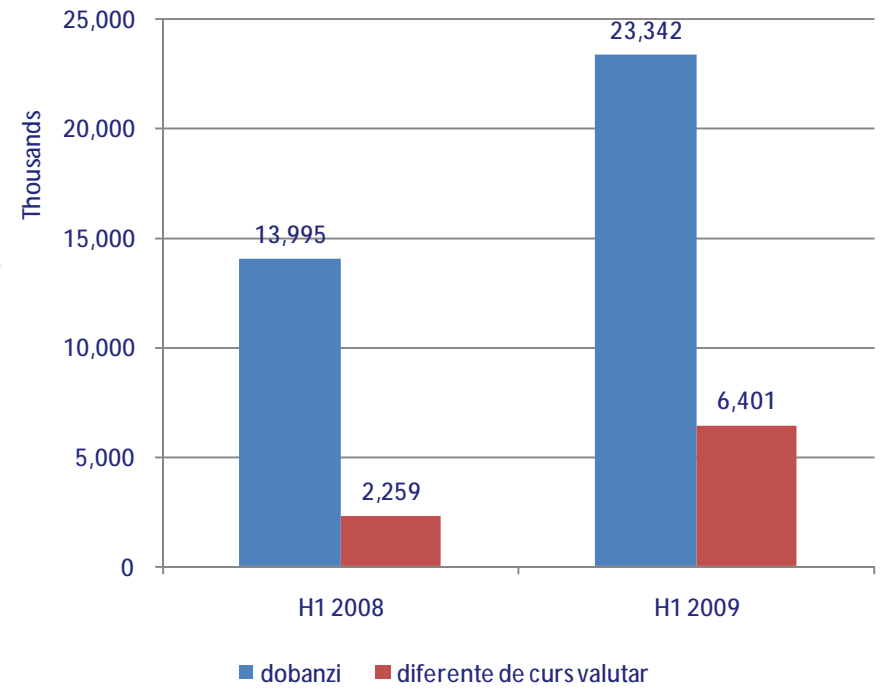
Indicator	31.12.2008	30.06.2009	Δ
Net treasury flow			
Operational	375,162,966	152,242,449	222,920,517
Investments	(353,815,857)	(167,758,149)	(186,057,708)
Financing	519,121	(26,781,499)	27,300,620
Net increase	21,866,230	(42,297,199)	64,163,429
Beginning of the period	184,638,142	206,504,372	(21,866,230)
End of the period	206,504,372	164,207,173	42,297,199



Financial result



FINANCIAL REVENUES
H1 2009/H1 2008

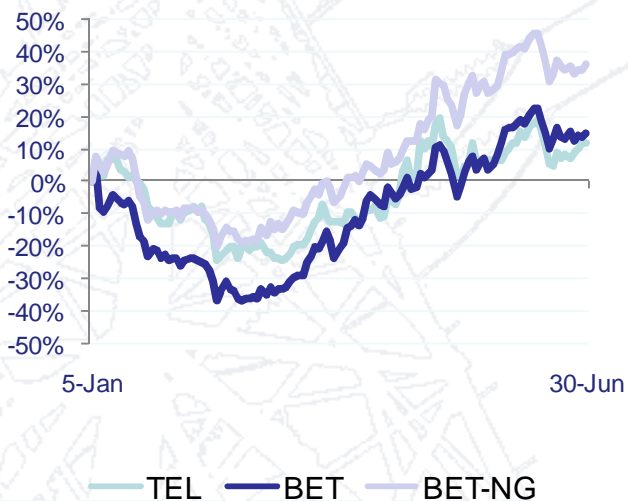


FINANCIAL EXPENSES
H1 2009/H1 2008



TEL share evolution

Price (lei)	30.06.2009
January 5	11.30
June 30	12.60
Low (17 Feb)	8.55
High (8 Mai)	13.50
Average	10.58
Mcap (mil lei)	
January 5	828.3
June 30	923.6



< 16.8 lei (IPO price) !

NO change in shareholders' structure



Key-results for H1 2009

üunder own control:

- ü reduced expenses (compared to the budget) for the which ones related to the activities that generate profit (transmission and functional system services) ▼7%
- ü investments exceeded the schedule ▲11.6%
- ü close monitoring of debt accounts and measures to collect receivables
- ü reinforcement of financial forecasting, risk management and control

üout of our control:

- ü a heavy reducing of electricity consumption with effect in revenues decline
- ü decrease of electricity export and import with effect in interconnection revenues cut
- ü negative financial activity due to the depreciation of local currency

prospects

**§ events with impact on TEL
§ 2009 budget rectified
§ 2010 perspectives**



The third legislative package

- in force
- main objective: a real unique market with secure supply
- **Directive 2009/72/EC** of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC
- **Regulation (EC) No 713/2009** of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators
- **Regulation (EC) No 714/2009** of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003
- **TEL perfectly compatible with the new requirements → full TSO model with ownership unbundling**



Regional markets

- **ENTSO-E – fully operational; main tasks**
 - new codes (grid & commercial),
 - Network Development Plans for 10 years both for EU and for regions
- **ACER – functional in 18 months**
 - transitory period – fulfilled by ERGEG
 - framework guidelines for ENTSO-E network codes
 - first code project: grid connection and RES revaluation (wind with priority)
 - tariff harmonization (as methodology)
- **conditions created in order to achieve the electricity unique market**
- **infringement procedure**
 - cross-border mechanism – progresses for SEE & CEE
 - Hungary – coordinated allocation

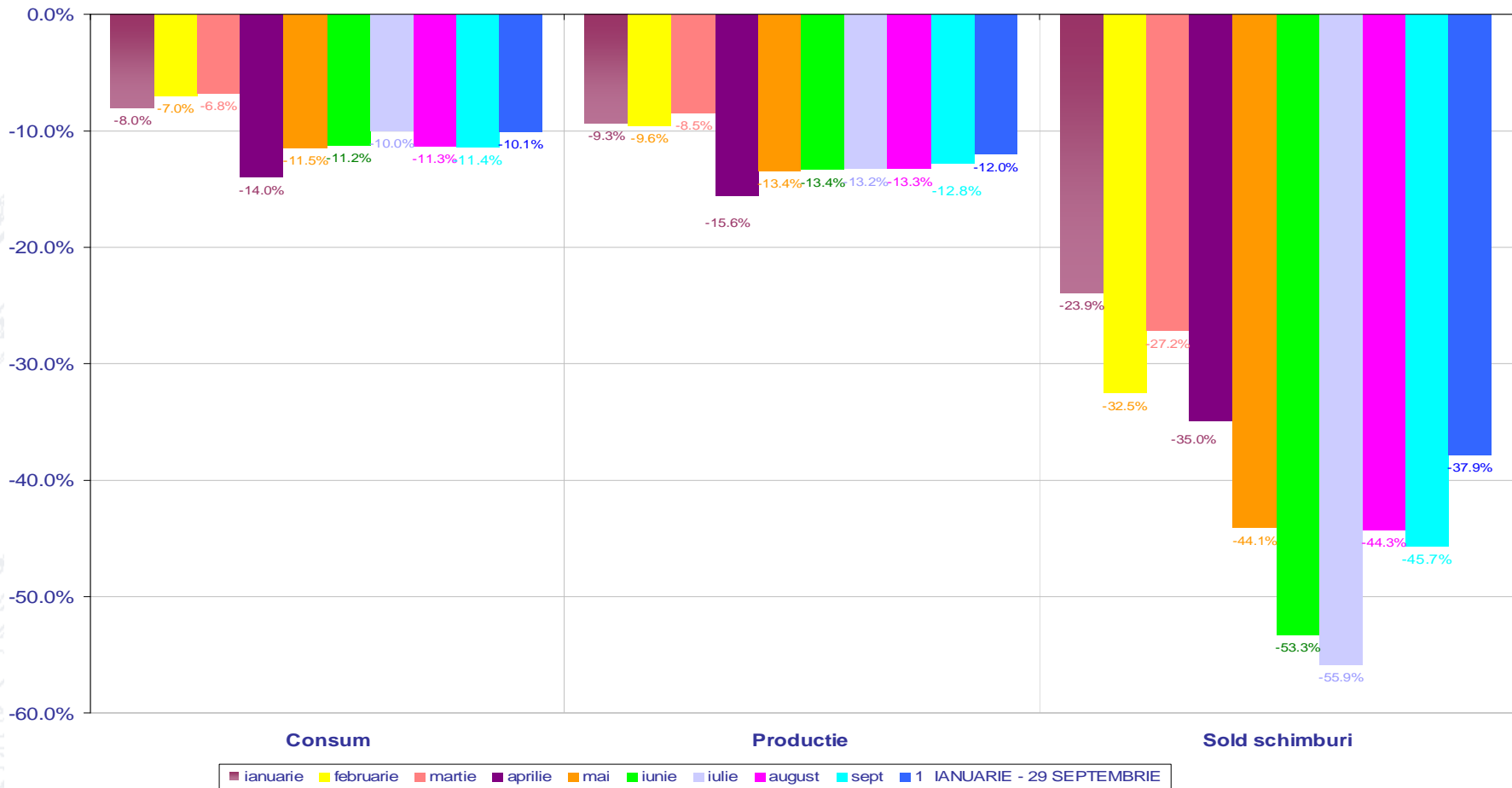


The new Grid MasterPlan 2008 – 2017

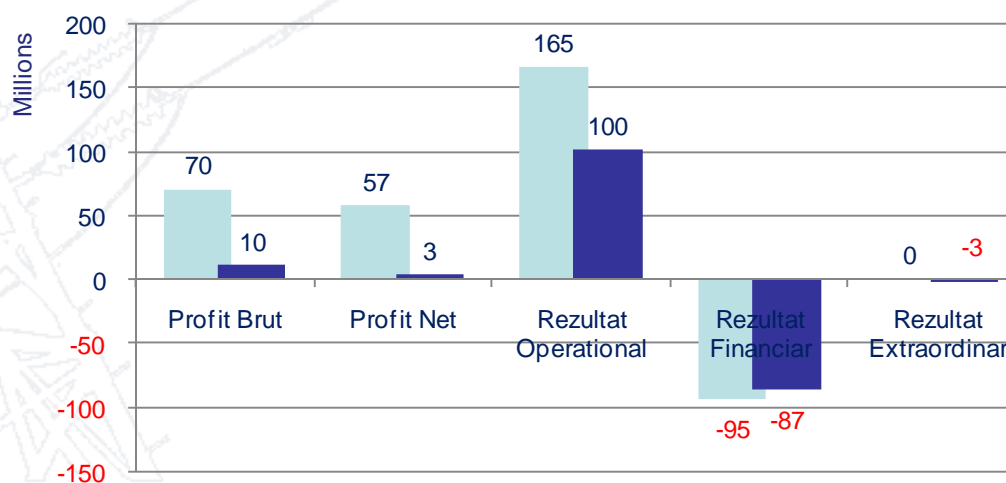
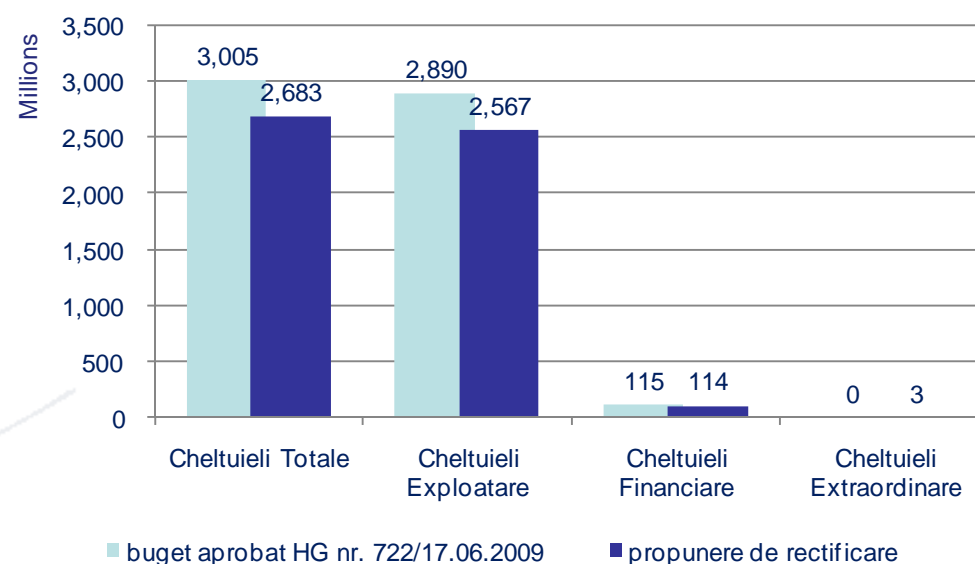
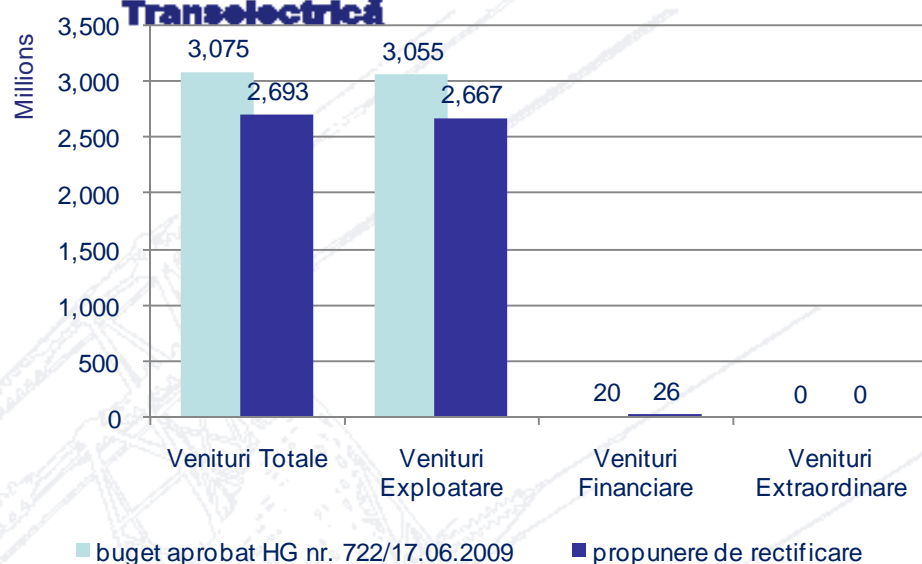
- has received the ANRE appraisal
- the MoE approval follows
- main investments:
 - closing the 400kV national power ring and build the 400kV metropolitan ring of Bucharest
 - extending the interconnection capacities with the neighboring countries;
 - integration of: units 3 and 4 of the NPP Cernavoda, the new wind farms;
 - integration of the Pumping Storage Hydro Power Plant Tarnita – Lapusesti
- impact for RAB:
 - the new projects in an individual approach, based on their Feasibility Study
 - will be discussed with ANRE in order to be approved
 - there is a possibility that the RAB to be modified in this regulatory period



Energy production & consumption

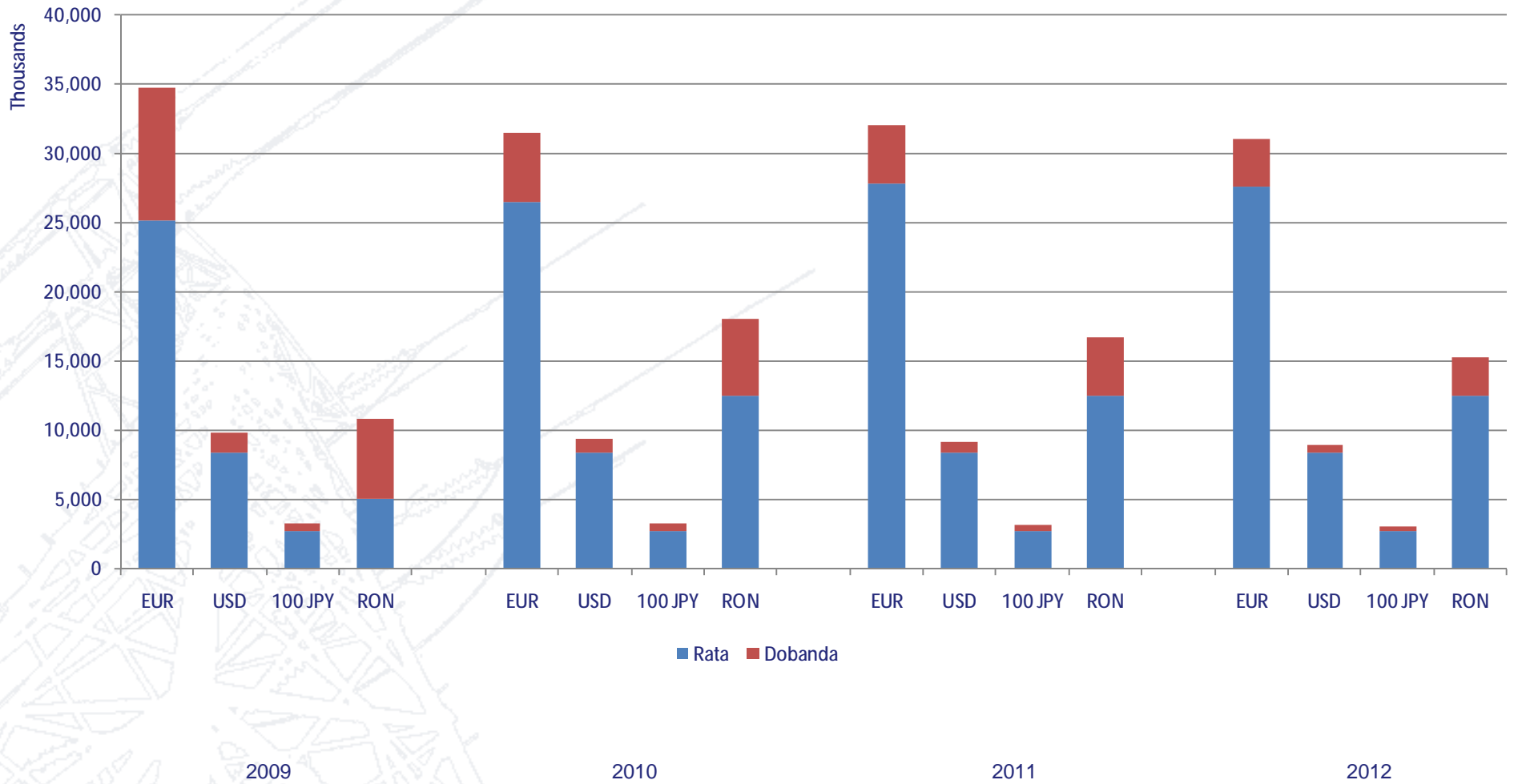


2009 budget





Loans reimbursement schedule





Regulatory perspectives – ANRE

• 2009

- **Technological system services** → reduction of the quantities of energy acquired through regulated contracts for technological system services – starting 10.08.2009, through the Decisions no. 1749-1751, 1753, 1960-1961/2009
- **CPT** → Electrocentrale Deva is the new regulated supplier starting with 01.10.2009 → Decision no. 2920/2008 → at 220 lei/MWh
- **No other regulatory change envisaged till 31.12.2009**

• 2010

- **separate tariffs for some activities** → metering and balancing market

• 2011

- **changes in transmission tariff methodology**



Other relevant aspects

- **International projects – interconnection links:**
 - 400 kV OHL Suceava-Balti (Rep of Moldavia) → feasibility study
 - 400 kV HVDC undersea cable to Turkey → feasibility study
- **Restructuring & privatization at subsidiaries level**



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