

**THE NATIONAL GAS TRANSMISSION COMPANY
"TRANSGAZ" S.A.**

**ESTIMATED UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED ON 31 DECEMBER 2016**

**PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION**

This version of the interim financial statements is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

STATEMENT OF THE FINANCIAL POSITION
(expressed in RON, if not specified otherwise)



	<u>31 December 2016</u>	<u>31 December 2015</u>
ASSET		
Fixed assets		
Intangible Assets	2.583.108.023	2.606.654.612
Tangible Assets	590.595.322	627.740.435
Financial assets available for sale	-	-
Trade receivables and other receivables	<u>628.320.099</u>	<u>579.722.974</u>
	3.802.023.444	3.814.118.021
Current assets		
Inventories	83.700.411	73.991.633
Commercial receivables and other receivables	510.032.972	362.526.848
Cash and cash equivalent	<u>949.293.236</u>	<u>700.797.782</u>
	1.543.026.619	1.137.316.263
Total asset	5.345.050.063	4.951.434.284
EQUITY AND DEBTS		
Equity		
Share capital	117.738.440	117.738.440
Hyperinflation adjustment of share capital	441.418.396	441.418.396
Share premium	247.478.865	247.478.865
Other reserves	1.265.796.861	1.265.796.861
Retained earnings	<u>1.766.413.855</u>	<u>1.496.805.410</u>
	3.838.846.417	3.569.237.972
Long-term debts		
Provision for employee benefits	109.449.045	102.947.599
Deferred income	1.039.005.986	930.578.140
Deferred tax payment	<u>65.646.086</u>	<u>71.337.402</u>
	1.214.101.117	1.104.863.141

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STATEMENT OF THE FINANCIAL POSITION
 (expressed in RON, if not specified otherwise)



	<u>31 December 2016</u>	<u>31 December 2015</u>
Current debts		
Commercial debts and other debts	210.142.469	225.501.304
Provision for risks and charges	37.200.734	15.109.696
Current tax payment	40.322.451	32.285.296
Provision for employee benefits	4.436.875	<u>4.436.875</u>
	<u>292.102.529</u>	<u>277.333.171</u>
Total debts	<u>1.506.203.646</u>	<u>1.382.196.312</u>
Total equity and debts	<u>5.345.050.063</u>	<u>4.951.434.284</u>

Director - General
 Petru Ion Văduva

Chief Financial Officer
 Marius Lupean

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**INTERIM STATEMENT OF THE COMPREHENSIVE
INCOME**

(expressed in RON, if not specified otherwise)



	The year ended <u>31 December</u> <u>2016</u>	The year ended <u>31 December</u> <u>2015</u>
Revenues from the domestic transmission activity	1.360.354.729	1.259.788.164
Revenues from the international transmission activity	328.571.017	318.752.083
Revenues from the balancing activity	57.387.096	-
Other revenues	<u>118.062.756</u>	<u>84.857.572</u>
Operational income before the construction activity according to IFRIC12	1.864.375.598	1.663.397.819
Depreciation	(208.663.356)	(193.400.706)
Employees costs	(369.161.017)	(357.730.987)
Technological consumption, materials and consumables used	(110.025.705)	(106.965.548)
Expenses with balancing gas	(56.093.235)	-
Expenses with royalties	(168.892.580)	(157.854.026)
Maintenance and transport	(21.676.245)	(33.180.731)
Taxes and other amounts owed to the state	(66.859.702)	(70.182.793)
Revenues/ (Expenses) with provisions for risks and expenses	(23.528.362)	1.255.202
Other operating expenses	<u>(140.633.679)</u>	<u>(159.159.600)</u>
Operational profit before the construction activity according to IFRIC12	<u>698.841.717</u>	<u>586.178.630</u>
Income from the construction activity according to IFRIC12	118.884.027	211.125.109
Cost of assets constructed according to IFRIC12	<u>(118.884.027)</u>	<u>(211.125.109)</u>
Operational profit	<u>698.841.717</u>	<u>586.178.630</u>
Financial income	32.176.874	43.236.621
Financial expenses	<u>(9.683.310)</u>	<u>(22.314.576)</u>
Financial income, net	<u>22.493.564</u>	<u>20.922.045</u>
Profit before tax	721.335.281	607.100.675
Profit tax expense	<u>(125.625.369)</u>	<u>(118.371.673)</u>
Net profit for the period	<u>595.709.912</u>	<u>488.729.002</u>
Earnings per share, basic and diluted (expressed in RON per share)	50,60	41,51
Other elements of the comprehensive income		
Elements which will not be reclassified in the profit and loss account		
Actuarial (Loss)/gain related to the period	<u>(1.025.634)</u>	<u>10.211.343</u>
Total comprehensive income for the period	<u>594.684.278</u>	<u>498.940.345</u>
Director - General Petru Ion Văduva		Chief Financial Officer Marius Lupean

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