

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

**ESTIMATED UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED ON 31 DECEMBER 2017**

**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 2017</u>	<u>31 December 2016</u>
ASSET		
Fixed assets		
Intangible Assets	2.492.585.958	2.583.472.652
Tangible Assets	558.553.293	588.078.005
Financial assets available for sale	232.533	-
Trade receivables and other receivables	<u>665.631.079</u>	<u>626.403.203</u>
	3.717.002.863	3.797.953.860
Current assets		
Inventories	87.141.749	83.714.634
Commercial receivables and other receivables	380.706.942	523.488.266
Cash and cash equivalent	<u>1.062.351.009</u>	<u>949.293.236</u>
	1.530.199.700	1.556.496.136
Total asset	5.247.202.563	5.354.449.996
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>1.649.698.930</u>	<u>1.765.268.873</u>
	3.722.131.492	3.837.701.435
Long-term debts		
Long term loans	69.895.500	-
Provision for employee benefits	109.128.058	109.128.058
Deferred income	1.016.571.312	1.036.619.965
Deferred tax payment	<u>61.034.477</u>	<u>65.668.155</u>
	1.256.629.347	1.211.416.178

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



	<u>31 December 2017</u>	<u>31 December 2016</u>
Current debts		
Commercial debts and other debts	253.152.790	251.110.230
Provision for risks and charges	14.948.946	15.379.511
Current tax payment	-4.417.874	34.084.780
Provision for employee benefits	<u>4.757.862</u>	<u>4.757.862</u>
	<u>268.441.724</u>	<u>305.332.383</u>
Total debts	<u>1.525.071.071</u>	<u>1.516.748.561</u>
Total equity and debts	<u>5.247.202.563</u>	<u>5.354.449.996</u>

Director - General
Ion Sterian

Chief Financial Officer
Marius Lupean

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**INTERIM STATEMENT OF THE COMPREHENSIVE
INCOME**

(expressed in RON, if not specified otherwise)



	The nine month period ended <u>31 December</u> <u>2017</u>	The nine month period ended <u>31 December</u> <u>2016</u>
Revenues from the domestic transmission activity	1.338.046.808	1.360.354.729
Revenues from the international transmission activity	333.289.677	328.571.017
Other revenues	<u>77.035.796</u>	<u>126.458.878</u>
Operational income before the balancing and construction activity according to IFRIC12	1.748.372.281	1.815.384.624
Depreciation	(214.429.892)	(208.663.356)
Employees costs	(384.981.301)	(369.161.017)
Technological consumption, materials and consumables used	(105.029.390)	(110.011.471)
Expenses with royalties	(167.133.649)	(168.892.580)
Maintenance and transport	(27.397.713)	(29.569.490)
Taxes and other amounts owed to the state	(71.563.890)	(67.544.114)
Revenues/ (Expenses) with provisions for risks and expenses	430.565	(1.707.139)
Other operating expenses	<u>(100.296.056)</u>	<u>(169.718.437)</u>
Operational profit before the balancing and construction activity according to IFRIC12	677.970.955	690.117.020
Revenue from the balancing activity	129.055.728	57.403.603
Expenses with balancing gas	(129.055.728)	<u>(56.093.235)</u>
Revenue from the construction activity according to IFRIC12	63.949.856	118.503.527
Cost of assets constructed according to IFRIC12	<u>(63.949.856)</u>	<u>(118.503.527)</u>
Operational profit	677.970.955	691.427.388
Financial income	190.576.590	32.230.671
Financial expenses	<u>(148.590.146)</u>	<u>(9.683.363)</u>
Financial income, net	<u>41.986.444</u>	<u>22.547.308</u>
Profit before tax	719.957.399	713.974.696
Profit tax expense	<u>(117.778.569)</u>	<u>(119.409.766)</u>
Net profit for the period	<u>602.178.830</u>	<u>594.564.930</u>
Earnings per share, basic and diluted (expressed in RON per share)	51,03	50,50
Actuarial (Loss)/gain related to the period	—	<u>(1.025.634)</u>
Total comprehensive income for the period	<u>602.178.830</u>	<u>593.539.296</u>

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