

REPORT AND ISSUER IDENTIFICATION DATA

Quarterly report according to the provisions of art. 227 of Law no. 297/2004

Date of report: 14 May 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 trading issued securities: Bucharest Stock Exchange

QUARTERLY REPORT
ON TRANSGAZ'S ECONOMIC AND FINANCIAL ACTIVITY
as of 31.03.2014
(from 1 January – 31 March 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 and to the Plan of Administration approved by Resolution no. 9 / 23 September 2013 of the Ordinary General Meeting of the Shareholders.

This report analyzes the indicators obtained by SNTGN Transgaz SA Medias on 31 March 2014 compared to the corresponding period of the previous year.

thousand RON

No.	Name	Obtained between 1.01-31.03.2014	Obtained between 1.01-31.03.2013	Increase
0	1	2	3	4=2/3x100-100
1.	Operating income	522.718	449.967	16%
2.	Financial income	4.039	6.433	-37%
3.	TOTAL INCOME	526.757	456.400	15%
4.	Operating costs	251.713	241.863	4%
5.	Financial costs	1.702	3.404	-50%
6.	TOTAL COSTS	253.415	245.267	3%
7.	GROSS PROFIT (row 3–row 6) of which:	273.342	211.134	29%
	• from operation	271.005	208.104	30%
	• from the financial activity	2.337	3.029	-23%
8.	Income tax	24.539	29.570	-17%
9.	NET PROFIT	248.803	181.563	37%

The total income increased by **15%** compared to the corresponding period of year 2013, which is higher by **70.357 thousand RON**. The increase of the income was due mainly to a capacity booking tariff higher than the capacity booking tariff for the corresponding period of the previous year.

From 1 January to 31 March 2014, compared to same period of the previous year, the income from the international gas transmission service decreased by 184 thousand RON due to a lower RON/USD average exchange rate.

Financial income was lower by 2.394 thousand RON due to the foreign exchange losses.

The total costs increased by **3%** compared to the same period of year 2013, which is higher by **8.148 thousand RON**, and were influenced mainly by the setting of the tax on the natural monopoly in the field of electricity and gas, according to Government Ordinance no. 5 of 22 January 2013, of the tax on special constructions, according to Government Emergency Ordinance no. 102/2013, and also by the technological consumption gas procuring costs savings.

As compared to the same period of year 2013 **the gross profit** is higher by **29%** (**62.209 thousand RON**) and **the net profit** is higher by **37%** (**67.240 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 – 31 March 2014 are not audited and were prepared according to the IFRS-EU.

CHAIRMAN OF THE BOARD OF ADMINISTRATION
Ion Sterian

Director - General
Petru Ion Văduva

Chief Financial Officer
Marius Lupean

ANNEX no.1**The synthesis of the Statement of financial position as of 31.03.2014**

No.	Name	30.03.2014	31.12.2013
1.	Assets		
	Non-current assets	3.201.567.324	3.234.897.108
	Current assets	951.405.296	700.208.700
	Total	4.152.972.620	3.935.087.808
2.	Equity and liabilities		
	Equity	3.321.437.197	3.072.633.293
	Non-current liabilities	528.705.720	539.417.258
	Current liabilities	302.829.703	323.037.257
	Total	4.152.972.620	3.935.087.808

**The synthesis of the Statement of comprehensive income
01.01.2014 - 31.03.2014**

No.	Name	31.03.2014	31.03.2013
	Operating income, of which:	522.718.411	449.966.742
	- income from the transmission activity	448.134.697	374.243.118
	- income from the international transmission activity	67.310.542	67.494.892
	Operating costs	251.712.708	241.863.154
1.	Operating profit	271.005.703	208.103.588
	Financial income	4.038.763	6.432.775
	Financial costs	1.701.794	3.403.904
2.	Financial profit	2.336.969	3.028.871
	Total income	526.757.174	456.399.517
	Total costs	253.414.502	245.267.058
3.	Gross profit	273.342.672	211.132.459

4.	Income tax	24.538.768	29.570.035
5.	Net profit	248.803.904	181.562.424

**The main economic and financial indicators for
the 01.01.2014 - 30.03.2014 reporting period**

No.	Name	30.03.2014	Result
1.	Current ratio	Current assets / Current liabilities	3,14
2.	Indebtness ratios		
2.1	Indebtness ratio 1	Borrowed capital / Equity	0,54%
2.2	Indebtness ratio 2	Borrowed capital / Capital employed	0,54%
3.	Days sales outstanding	Average balance clients x 90 / Turnover	75,27
4.	Non-current assets turnover	Turnover/ Non-current assets	0,161