



Transelectrica

Compania Națională
de Transport
al Energiei Electrice

WE LEAD THE POWER

TRANSELECTRICA

2008 results, 2009 outlook

Bucharest, March 27th, 2009

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Transelectrică

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2008 results



rezultate-cheie ale anului 2008

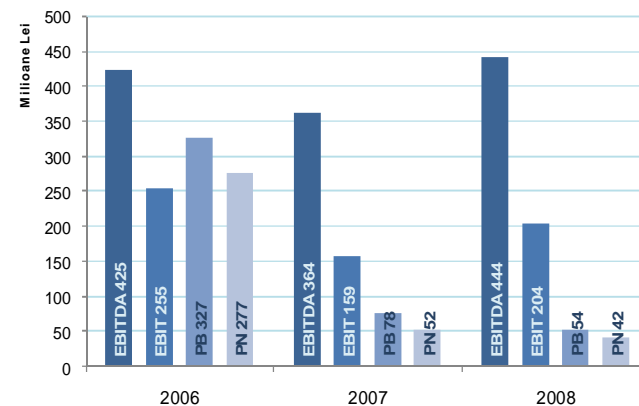
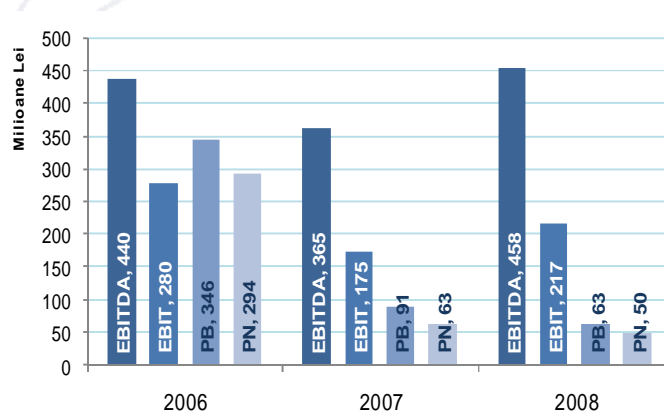
- ü A very good operational result → 204 mil lei (an efficient management of expenses)
- ü Increase the volume of transport services from 2007 → ▲ 6.3%
- ü Increase the Regulated Asset Base by overcome of the investment plan (as values and commissioning)
- ü Fulfilling the criteria of Performance Standards
- ü Negative financial result, due to the depreciation rate of leu at 31.12.2008
- ü Gross dividend → 0.30 lei/share*

* proposed for General Shareholder Meeting approval



2008 profit & losses

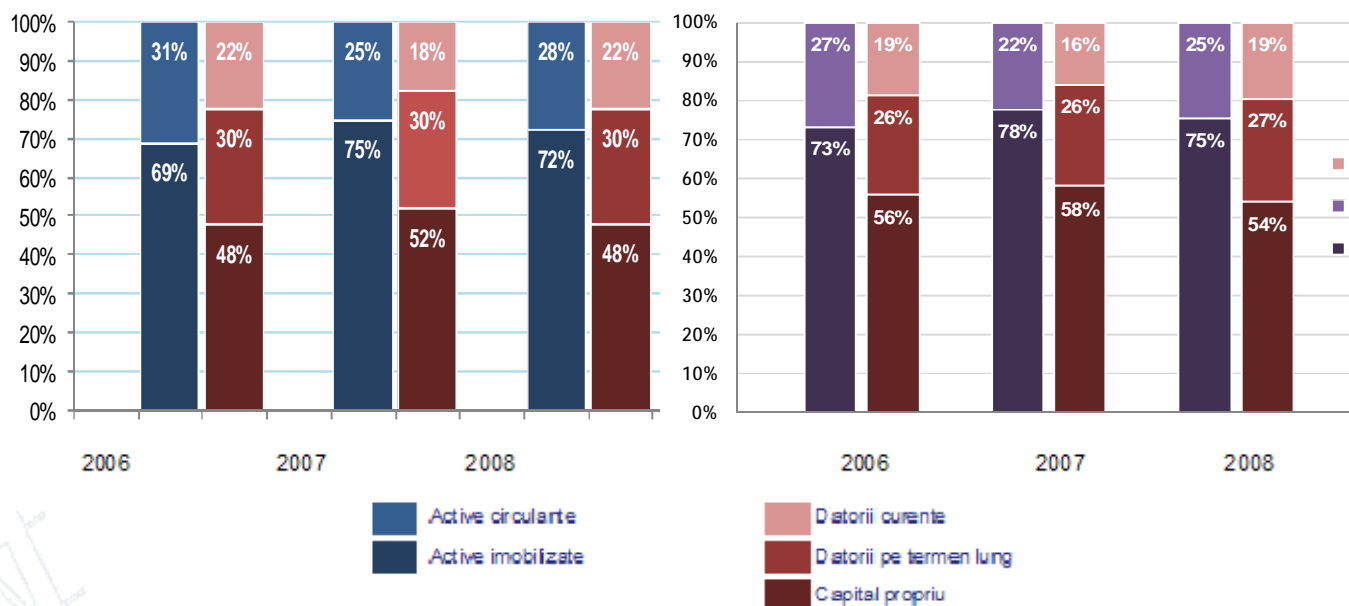
mil lei/%	Consolidated (IFRS)			Stand-alone (RAS)		
	2006	2007	2008	2006	2007	2008
Turnover	2,441	2,267	2,890	2,455	2,291	2,925
Operating revenues	2,504	2,384	2,988	2,482	2,349	2,955
Operating expenses	(2,224)	(2,209)	(2,771)	(2,227)	(2,190)	(2,751)
Operating result (EBIT)	280	175	217	255	159	204
EBIT margin [%]	11.5	7.7	7.5	10.4	6.9	7.0
Depreciation & amortization	160	189	241	170	205	240
EBITDA	440	365	458	425	364	444
EBITDA margin [%]	18.0	16.1	15.8	17.3	15.9	15.2
Financial revenues	123	29	41	127	32	43
Financial expenses	(57)	(114)	(196)	(55)	(113)	(193)
Financial result	66	(85)	(155)	72	(81)	(151)
Total revenues	2,626	2,414	3,029	2,609	2,381	2,998
Total expenses	(2,281)	(2,323)	(2,967)	(2,282)	(2,303)	(2,945)
Profit before tax(EBT)	346	91	63	327	78	54
EBT margin [%]	14.2	4.0	2.2	13.3	3.4	1.8
Income tax	(51)	(28)	(12)	(50)	(26)	(12)
After-tax profit	294	63	50	277	52	42
EAT margin [%]	12.0	2.8	1.7	11.3	2.3	1.4





2008 balance sheet items

mil lei	Consolidated (IFRS)			Stand-alone (RAS)		
	31.12.2006	31.12.2007	31.12.2008	31.12.2006	31.12.2007	31.12.2008
Non-current assets	2,373	2,750	2,905	2,906	3,161	3,308
Current assets	1,077	927	1,115	1,055	903	1,076
TOTAL ASSETS	3,450	3,677	4,020	3,961	4,065	4,384
Equity	1,652	1,911	1,935	2,209	2,355	2,372
Non-current liabilities	1,023	1,117	1,192	1,015	1,067	1,163
Current liabilities	775	650	893	736	643	849
TOTAL EQUITY & LIABILITIES	3,450	3,677	4,020	3,961	4,065	4,384





2008 key indicators

Indicator	Computation formula	Consolidated (IFRS)			Stand-alone (RAS)		
		2006	2007	2008	2006	2007	2008
Gross operating margin (EBITDA margin)	$\frac{\text{EBITDA}}{\text{Turnover}} * 100$	18.0	16.1	15.8	17.3	15.9	15.2
Net operating margin (EBIT margin)	$\frac{\text{EBIT}}{\text{Turnover}} * 100$	11.5	7.7	7.5	10.4	6.9	7.0
Pre-tax margin	$\frac{\text{EBT}}{\text{Turnover}} * 100$	14.2	4.0	2.2	13.3	3.4	1.8
Net margin	$\frac{\text{Net income}}{\text{Turnover}} * 100$	12.0	2.8	1.7	11.3	2.3	1.4
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.39	1.43	1.25	1.45	1.45	1.28
Quick ratio	$\frac{\text{Current assets} - \text{inventories}}{\text{Current liabilities}}$	1.35	1.37	1.20	1.42	1.40	1.24

Indicator	Formula de calcul	2006	2007	2008
Earnings per share [lei]	$\frac{\text{Profit available to equity shareholders}}{\text{Average number of issued equity shares}}$	4.02	0.71	0.57
Dividends per share [lei]	$\frac{\text{Dividends paid to equity shareholders}}{\text{Number of issued equity shares (EOY)}}$	1.47	0.36	0.3*
Dividend yield [%]	$\frac{\text{Annual Gross DPS}}{\text{Market share price (EOY)}}$	4.3	0.9	2.7
Dividend payout ratio [%]	$\frac{\text{Dividends paid to equity shareholders}}{\text{Net Income}}$	39	51	52*
Market value [mil lei]	Market price per share (EOY) x No. of shares	2,477	2,932	806



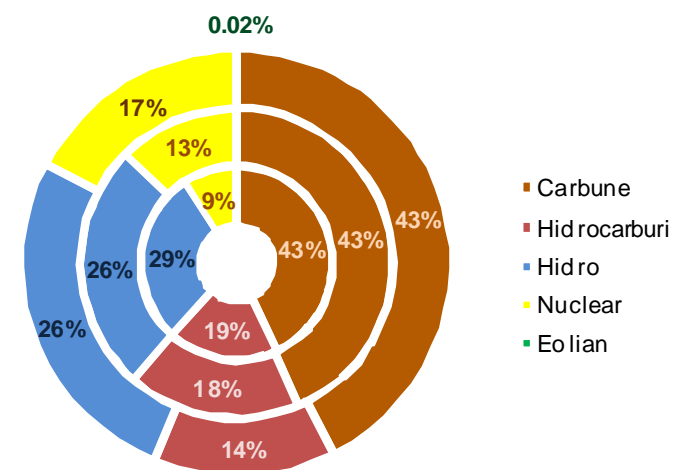
input data

Energy produced [GWh]	2006	2007	2008*	In 2008 [%]
TOTAL, from which:	62.428	61.397	64.772	100,0
- Coal	26.975	26.711	27.531	42,50
- Oil	11.509	11.054	8.902	13,74
- Hydro	18.327	15.916	17.105	26,41
- Nuclear	5.616	7.709	11.223	17,33
- Wind	1	7	11	0,02

* provisional data

Consumption	2006	2007	2008**
Gross internal consumption [GWh]	58.173	59.296	60.336
Annual average [MWh/h]	6.641	6.770	6.871
Annual minimum [MWh/h]	4.590	4.590	4.506
Annual maximum [MWh/h]	9.045	9.492	9.369

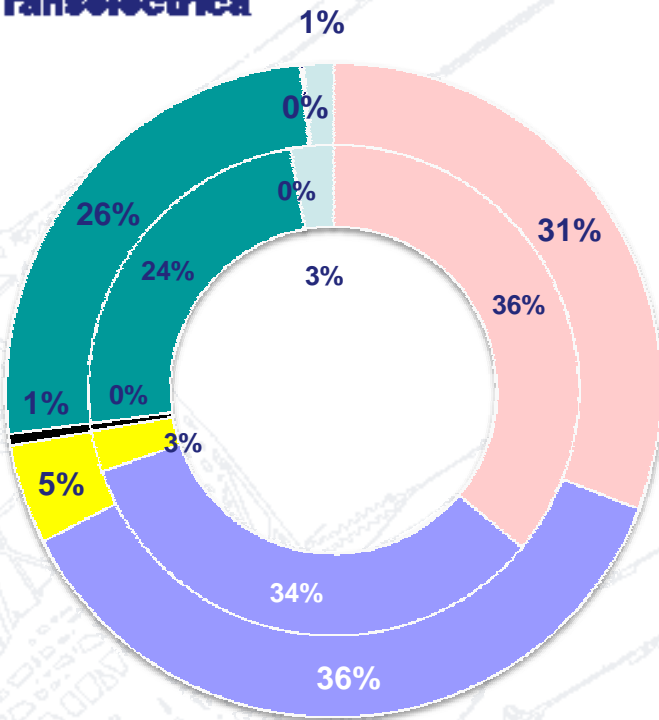
Service [lei/MWh, without VAT]	01.01.2008-04.03.2008 ANRE Order no. 64/2007	05.03.2008-30.06.2008 ANRE Order no. 35/2008	01.07.2008-31.12.2008 ANRE Order no. 63/2008
Transmission services		15,33	15,33
System services, from which:		17,66	17,66
Functional system services		0,82	0,82
Market administration		0,23	0,30



2008/2007/2006

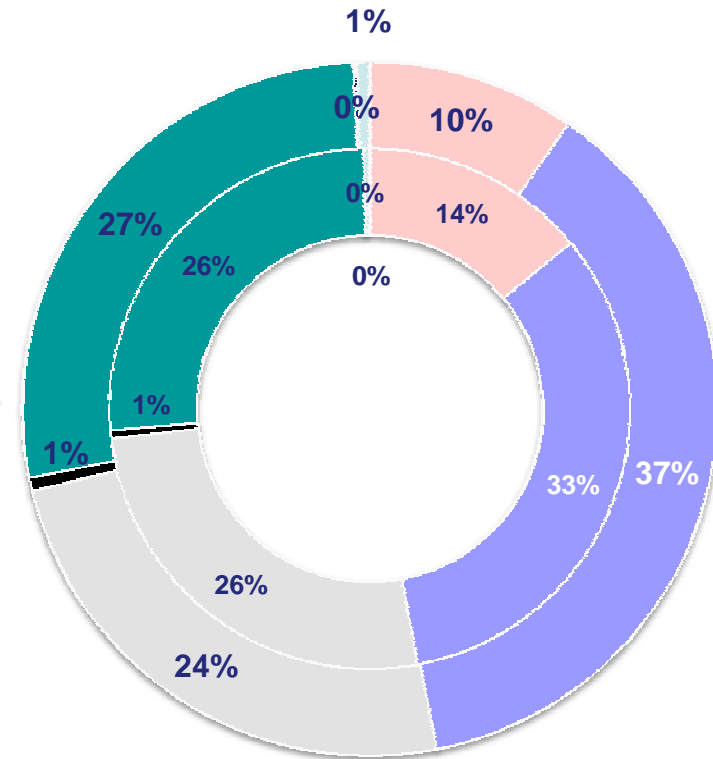


activity analysis



**REVENUES
2008/2007**

- Venituri din servicii de transport
- Venituri din servicii de sistem
- Venituri din aloc. capac. interconexiune
- Venituri din administrare piata
- Venituri pe piata de echilibrare
- Venituri din piata certificatelor verzi
- Alte venituri



**EXPENSES
2008/2007**

- Cheltuieli pentru servicii de transport
- Cheltuieli pentru servicii de sistem
- Cheltuieli materiale si de personal, impozite si taxe
- Cheltuieli pentru administrare piata
- Cheltuieli pe piata de echilibrare
- Cheltuieli pentru piata certificatelor verzi
- Alte cheltuieli

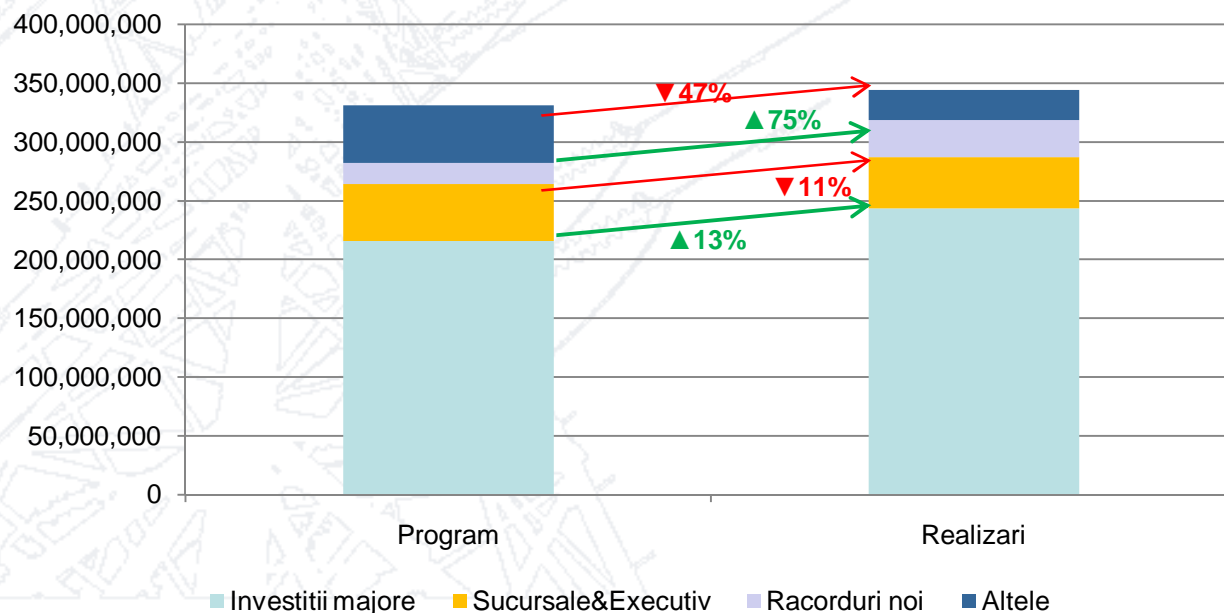


investments (1)

Investment expenses	Program/ Realized	Investments expenses [lei, without VAT]		
		TOTAL, from which	Own funds	Loans, Phare funds
TOTAL, from which:	Program Realized	330.646.000 344.002.190	251.146.000 252.073.080	79.500.000 91.929.110
MAIN INVESTMENTS	Program Realized	215.399.100 243.485.880	135.899.100 151.556.770	79.500.000 91.929.110
INVESTMENTS (branches&headquarters)	Program Realized	48.540.810 43.233.300	48.540.810 43.233.300	0 0
OTHER	Program Realized	48.706.080 25.753.550	48.706.080 25.753.550	0 0
NEW CONNECTIONS	Program Realized	18.000.000 31.529.460	18.000.000 31.529.460	0 0

major commissioned projects:

- substation 400/220/110 kV Gutinas (cell AT4-110 kV, connections OHL 220 kV; protections on end: OHL 400 & 220 kV);
- 400 kV axis Gutinas-Bacau Sud-Roman Nord Suceava (substations 400 kV Bacau Sud & Roman Nord; OHL 400 kV Gutinas-Bacau Sud-Roman Nord-Suceava);
- OHL 400 kV Oradea – Bekescsaba;
- substation 400 kV Nadab;
- OHL 400 kV Arad – Nadab;
- primary circuits in substation Isalnita;
- substation 400/220/110 kV Sibiu Sud;
- substation 400/220/110 kV Iernut;
- command-control-protection-measurement and internal services in substations 220/110 kV FAI, Targoviste, Turnu Magurele, Arefu, Stuparei, Raureni, Isalnita, Pestis Hasdat, Cluj Floresti, Baia Mare 3;
- substation 400 kV Cernavoda;
- security systems – substations, branches, dispatch (partial).

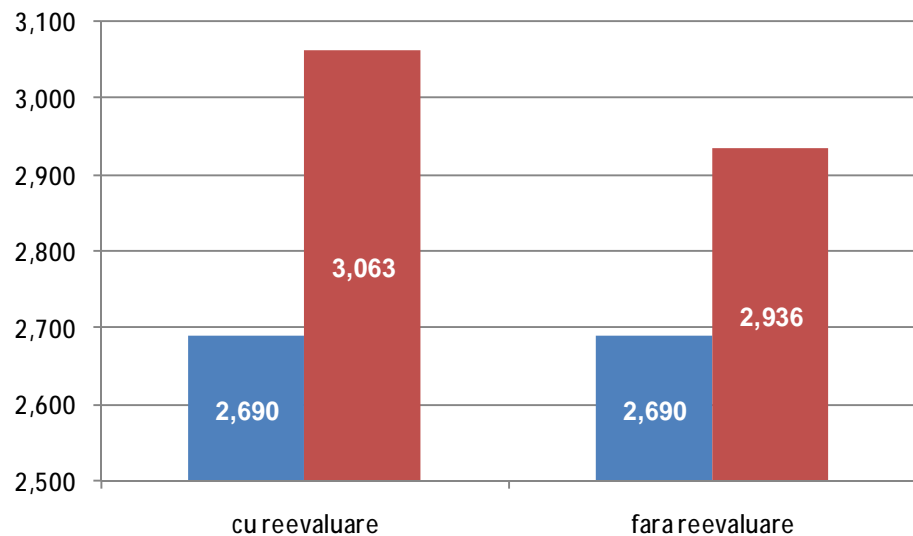




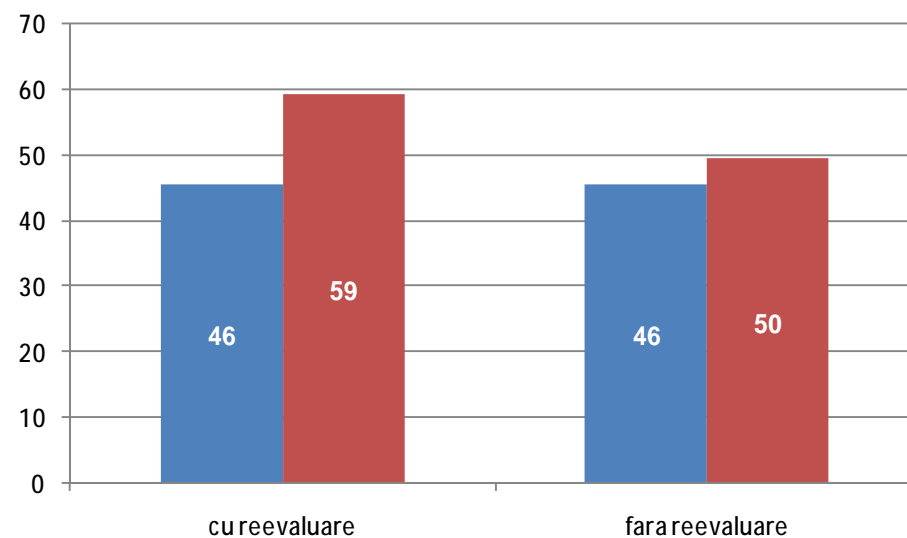
investments (2)

Three strategic directions for future development of Transmission Grid

- Transmission Grid strengthening in order to get the output of new production facilities
- to provide to the consumption the energy inside the quality & safety parameters
- to increase the interconnection capacity



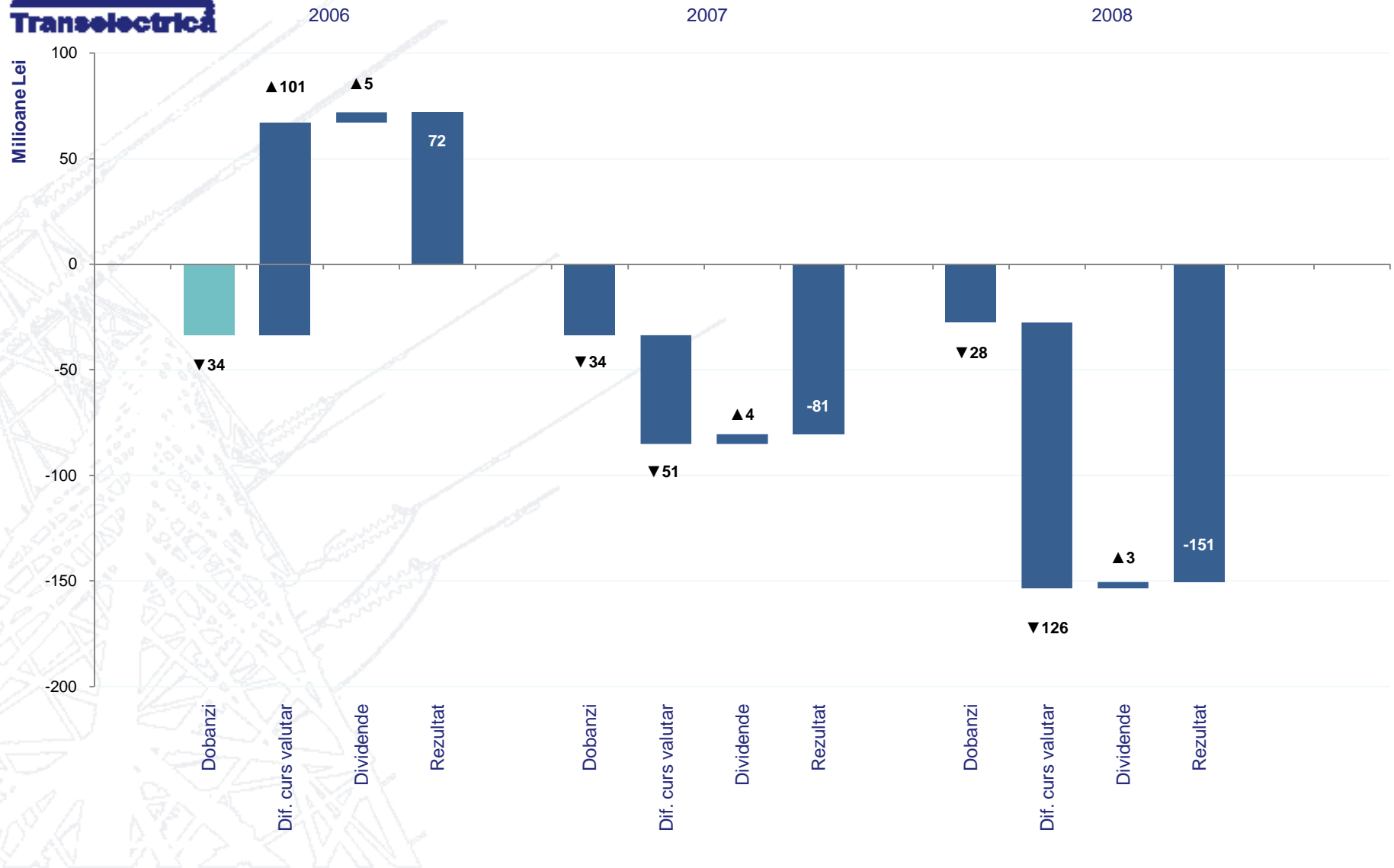
RAB for Transmission



RAB for System

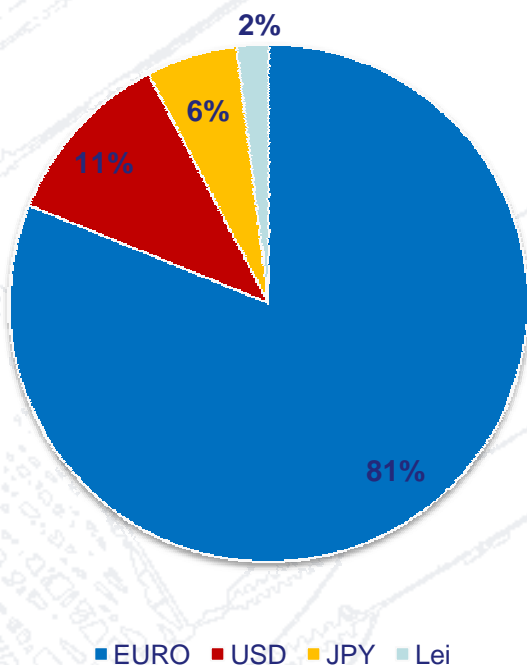
■ inițial (1 ian 2008) ■ final, estimat (31.12. 2008)

financial result (1)

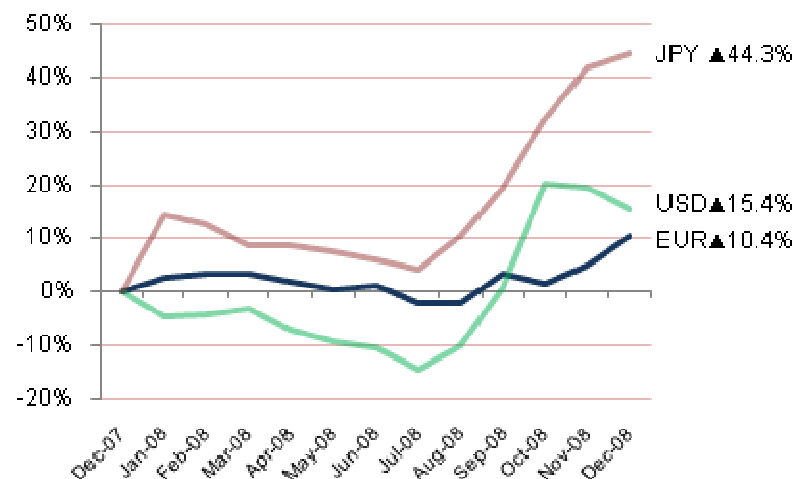




financial result (2)



Currency	31.12.2007	31.12.2008
EUR	3,6102	3,9852
USD	2,4564	2,8342
100 JPY	2,1766	3,1419



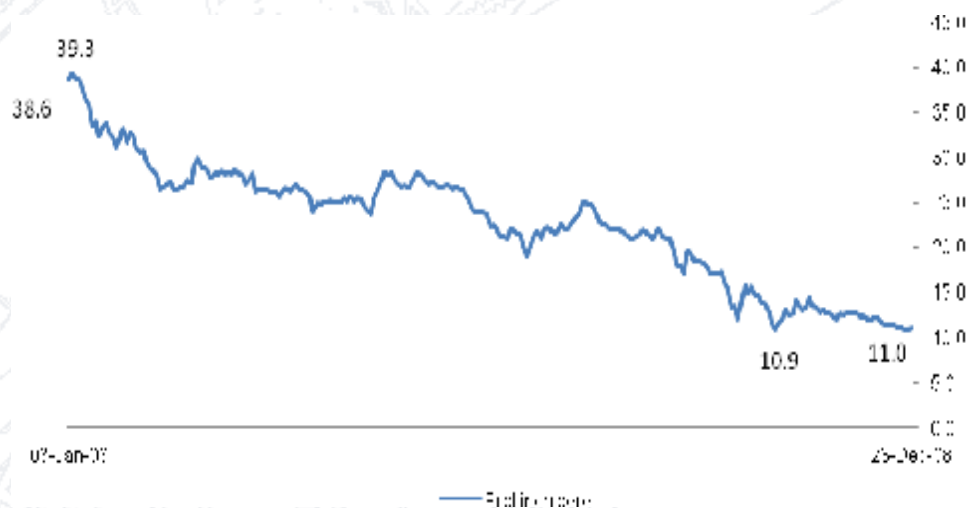
	2006	2007	2008
Long term debt [mil lei]	847	947	1,011
Debt capacity [x]	0.39	0.40	0.43

Agency	Current rating	Perspective	Last change
Moody's	Baa3	Stable	23.01.2007
S&P's	BB+	Negative	30.10.2008



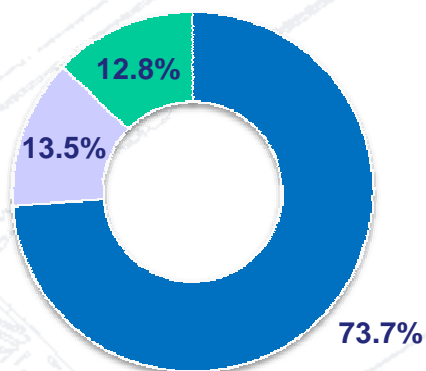
TEL share evolution

Year	Close price [lei/share]/data				Annual volume [traded shares]	Market capitalization (last day) [mil lei]
	First day	Last day	Minim	Maxim		
2006	22,80/22.08	33,80/19.12	22,80/22.08	34,50/10.10	5.447.909	2.477,65
2007	36,00/03.01	40,00/21.12	30,30/23.11	49,30/07.05	7,404,361	2.932,13
2008	38,60/03.01	11,00/23.12	10,90/27.10	39,30/04.01	6,997,259	806,33

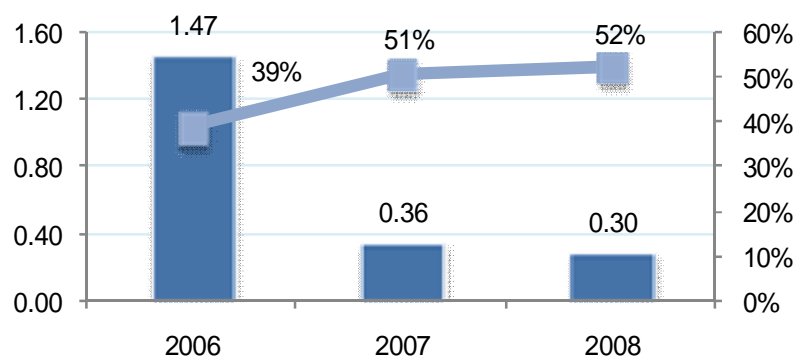




shareholders & dividends



■ Statul Român ■ Fondul Proprietatea ■ Alti acționari (sub 5%)



■ Dividend pe actiune ■ Rata de distribuire

Shareholder	1-Ian-2008	31-Dec-2008	Transfers
Romanian state	54.045.101	54.015.781	▼ 29.320 (0,04%)
Fondul Proprietatea	9.895.212	9.895.212	-
Others (< 5%)	9.362.829	9.392.149	▲ 29.320 (0,04%)
TOTAL	73.303.142	73.303.142	-

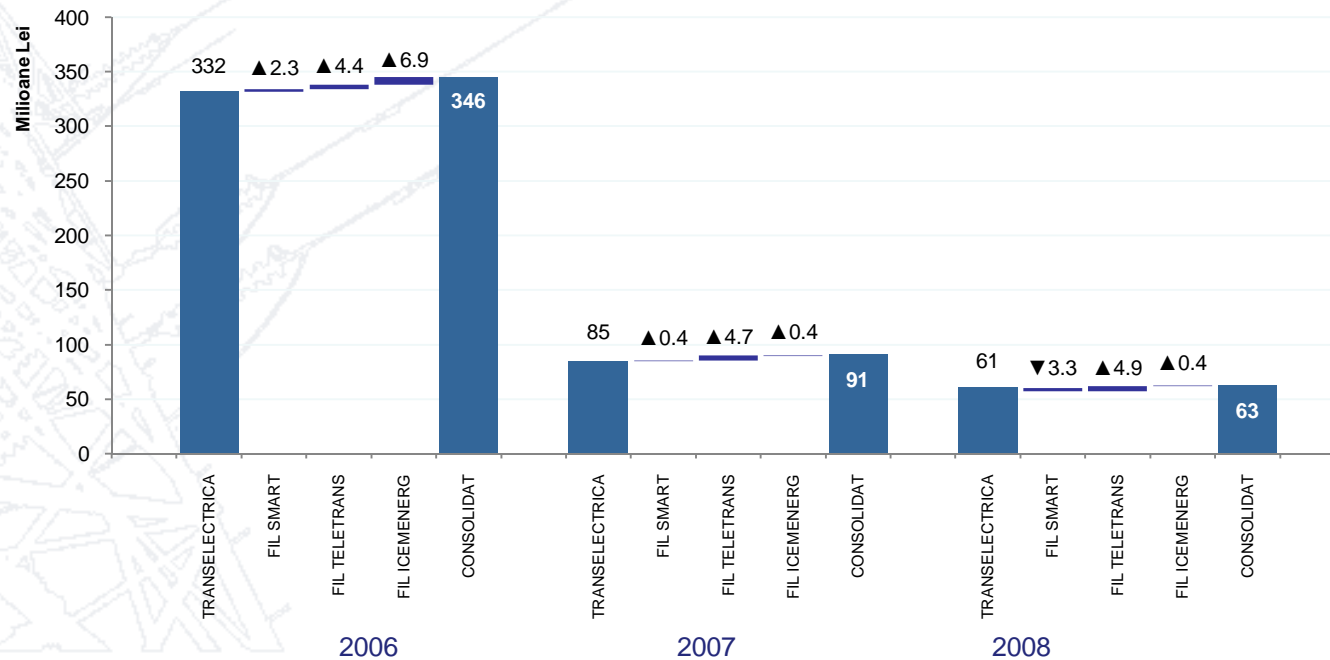
	2006	2007	2008
Net profit (lei)	277.259.581	52.043.832	41.943.077
Dividends (lei)	107.747.863	26.389.131	21.990.943*
Payout ratio (%)	39%	51%	52%*
Dividends per share (lei)	1,47	0,36	0,30*

*proposed



2008 subsidiaries' contribution

Gross profit [mii lei]	2006		2007		2008	
	Value	%	Value	%	Value	%
TRANSELECTRICA	332.060	96,16	85.070	93,89	60.647	96,87
SMART	2.266	0,64	398	0,44	-3.306	-5,28
TELETRANS	4.362	1,24	4.724	5,21	4.886	7,80
ICEMENERG	6.875	1,96	412	0,46	381	0,61
TOTAL	345.563	100,00	90.604	100,00	62.608	100,00





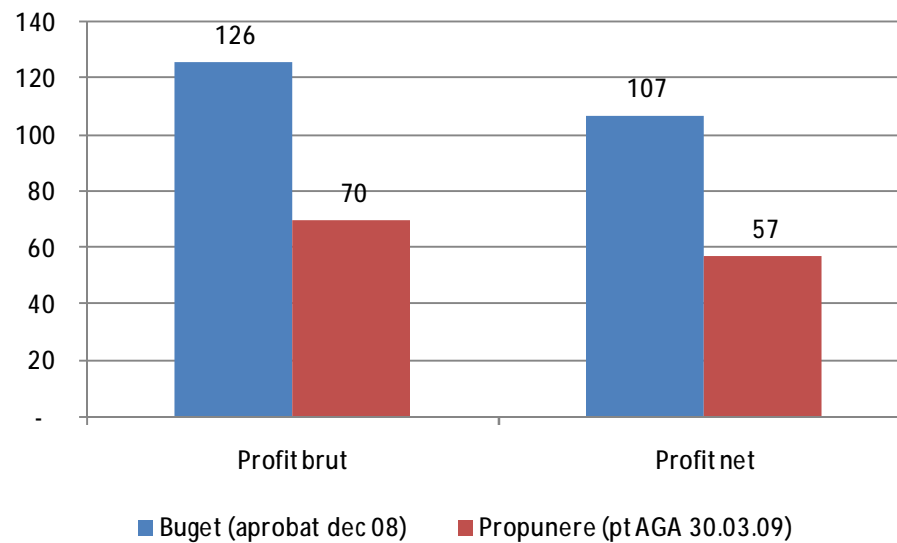
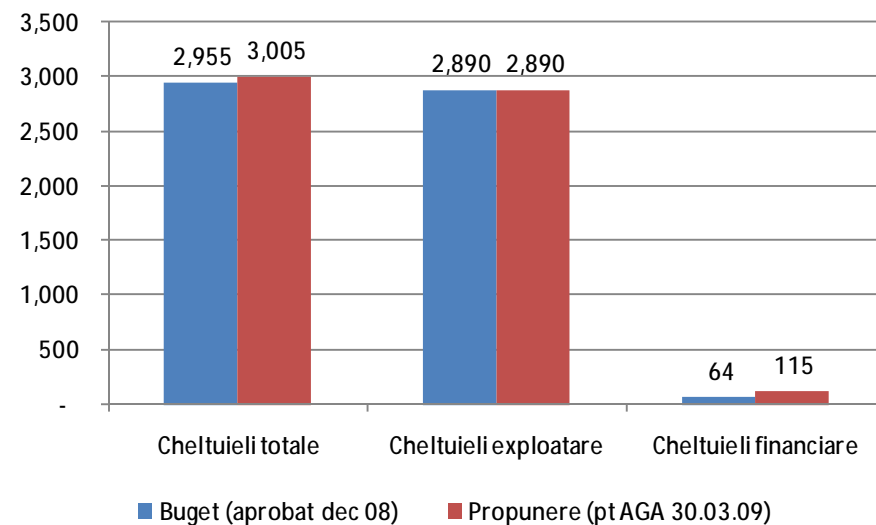
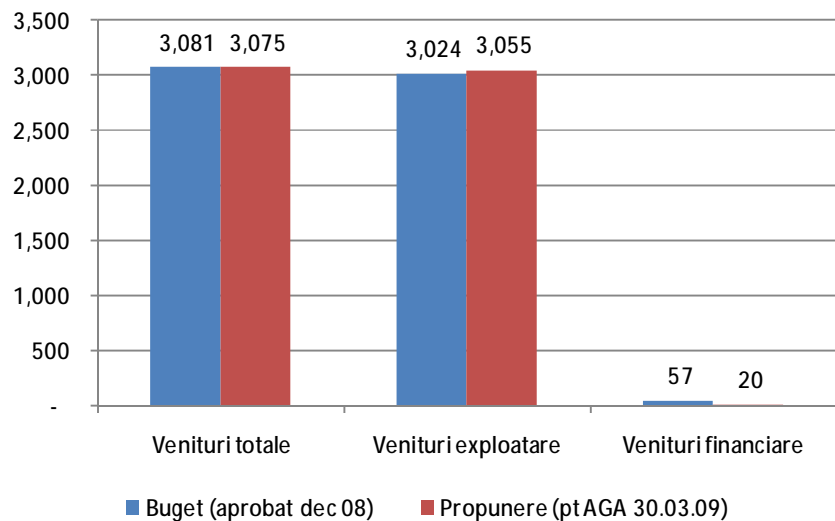
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2009 outlook

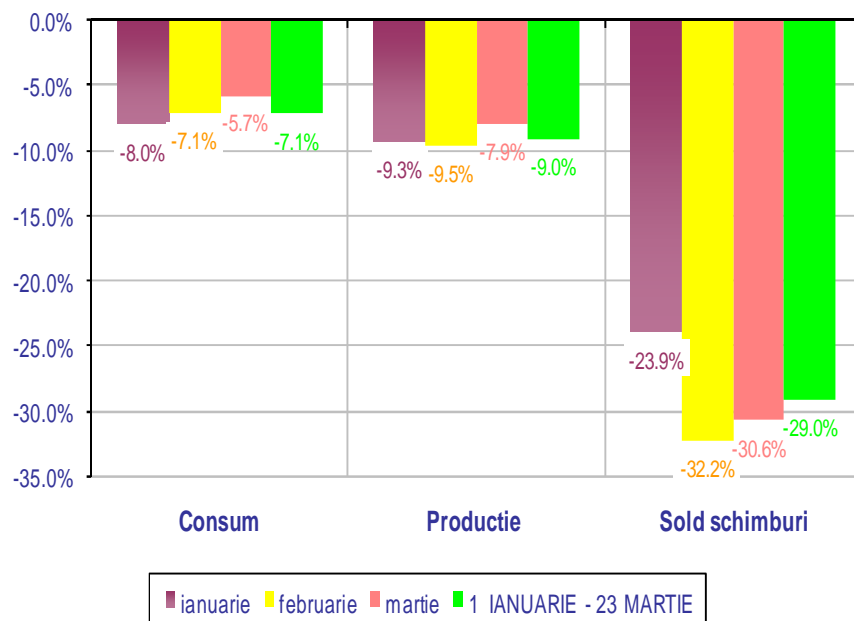
2009 budget





2009 premises

Variatia lunara a consumului, productiei si a soldului in 2009, comparativ cu perioada similara din 2008



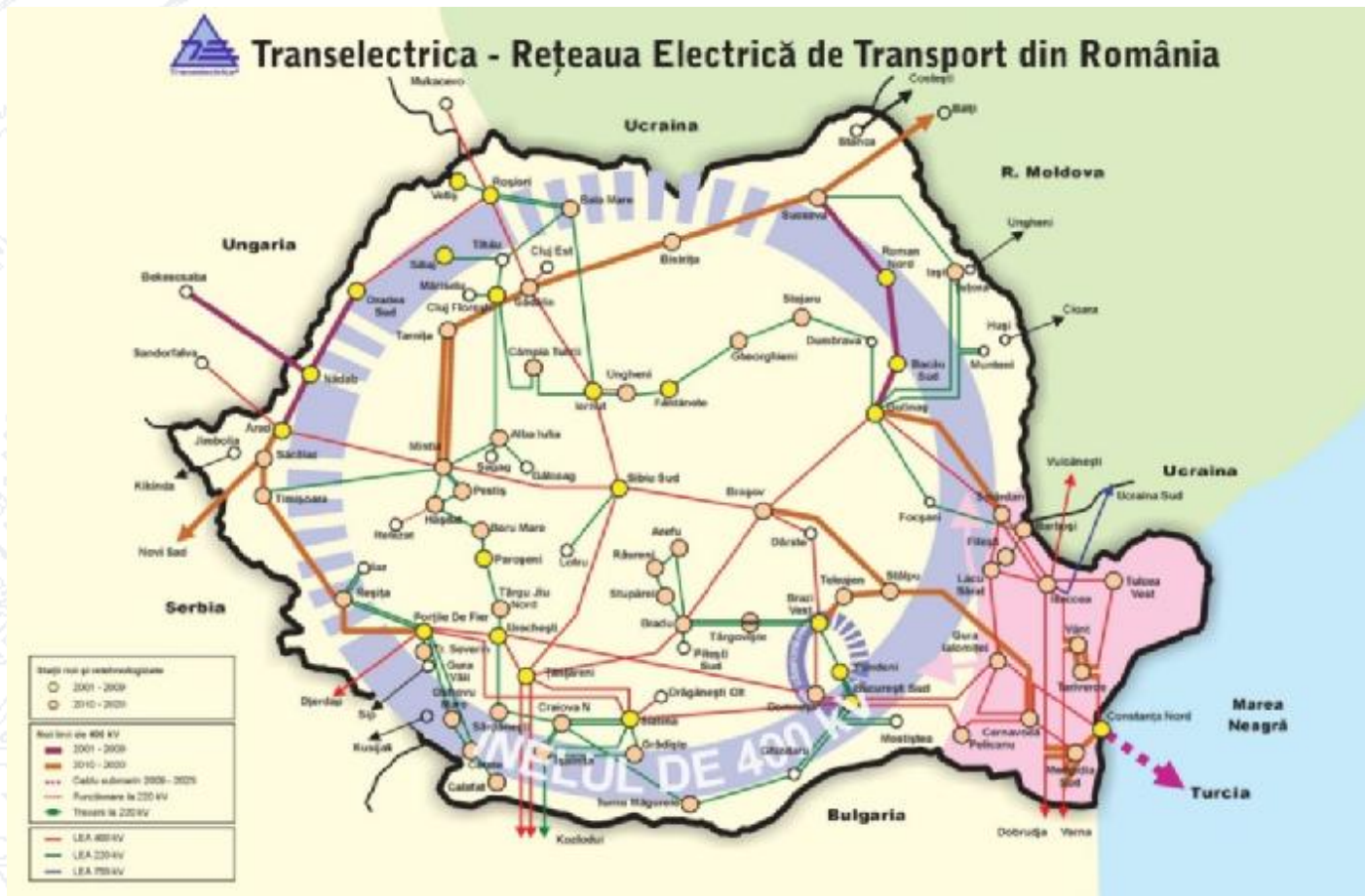
Exchange rate (major risk issue)

- 31.12.2008 → 3.99 lei/€
- budget → 4.20 lei/€
- December 2009 ???





the new Grid MasterPlan 2008 – 2017 defiances



what we propose for 2009



- in terms of financial crisis and economic recession, we assume, as the main corporate social responsibility, the strategy:
 - **a sustainable contraction of production costs by keeping the operational excellence (acc. to the performance standards)**
 - **to maintain the present level of regulated tariffs !!!**
- to keep on the efforts for development and modernization of transport network, the backbone of National Power Grid (NPG)
 - to support the private and state investments in new production capacities, with emphasis on the renewable
 - to optimize the projects for connections to the transmission network
 - regional projects and increase of interconnection capacity
- to strengthen the TEL role as NPG technical authority
- to continue the dialogue with the Regulatory Authority to improve the regulatory framework in order to increase the transparency, predictability and the motivation for TEL superior performance

next events



event

data

Annual General Shareholder Meeting	29.04.2009
Results Q1 2009 – RAS – unaudited	14.05.2009
Results H1 2009 – RAS – unaudited	13.08.2009
Results H1 2009 – IFRS – audited (limited revision)	02.09.2009
Analyst, broker and investor meeting – results H1 2009	04.09.2009
Results Q3 2009 – RAS – unaudited	12.11.2009



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