



Transelectrica SA

Transmission and System Operator
of the Romanian Electrical Power System

We lead the power

Q3 RESULTS

2016



Purpose, disclaimer and other cautionary statements

DOCUMENT PURPOSE:

This presentation has been prepared with the sole intention to facilitate the understanding of Transelectrica's operational and financial results by the general investing public (shareholders, creditors, analysts, financial media). Therefore it is of a purely informative nature. **This presentation is not an offer, invitation or a recommendation to trade in securities issued by the Company.** The detailed financial statements and the full report prepared in accordance with capital market regulations are available online at www.transelectrica.ro.

FINANCIAL NUMBERS:

<i>reporting period:</i>	1 st January 2016 – 30 th September 2016
<i>reporting standard:</i>	International Financial Reporting Standards (IFRS)
<i>basis/scope:</i>	standalone (unconsolidated)
<i>external audit:</i>	unaudited
<i>rounded numbers:</i>	for the ease of reading, certain figures used in this presentation (tables and charts) are displayed in millions and rounded to such unit or to one or two decimals. In some cases this led to minor differences between totals and the sum of the individual elements thereof (rounding errors)

REGULATED TARIFFS, 3rd REGULATORY PERIOD (1 July 2014 – 30 June 2019):

The presented figures (calculation components of regulated tariffs) are presented as disclosed to us by the Romanian Energy Regulator (the public office that sets the network tariffs charged by Transelectrica for the services performed on the domestic electric energy market, in accordance with the license granted by the regulator). Tariff ex-ante parameters for the current regulatory period were subject to an interim review by the Romanian Energy Regulator at 1st July 2015

LANGUAGE DISCLAIMER:

This document represents the English-language version of the original Romanian-language document. The English version has been created for English readers' convenience. Reasonable efforts have been made to provide an accurate translation, however, discrepancies may occur. The Romanian version of this document is the original official document. If any questions arise related to the accuracy of the information contained in the English version, please refer to the Romanian version of the document.

Agenda:

9M results

- Highlights
- Operational results
- Financial results

Investment

- Investment deliveries 9M2016
- 10-year network development plan 2016-2025

Q&A



Financials

9M y/y

3Q y/y

• Revenues	Lei 1,898 m	▼ 14.3%	Lei 548 m	▼ 30.5%
• EBITDA	Lei 505 m	▼ 15.5%	Lei 162 m	▼ 13.3%
• Net income	Lei 213 m	▼ 29.9%	Lei 72 m	▼ 24.0%

Operational

9M y/y

3Q y/y

• Power consumption*	40.6 TWh	▼ 0.3%	13.0 TWh	▼ 2.2%
• Power production*	43.9 TWh	▼ 3.6%	14.7 TWh	▼ 2.1%
• Net export	3.3 TWh	▼ 31.8%	1.7 TWh	▼ 1.4%

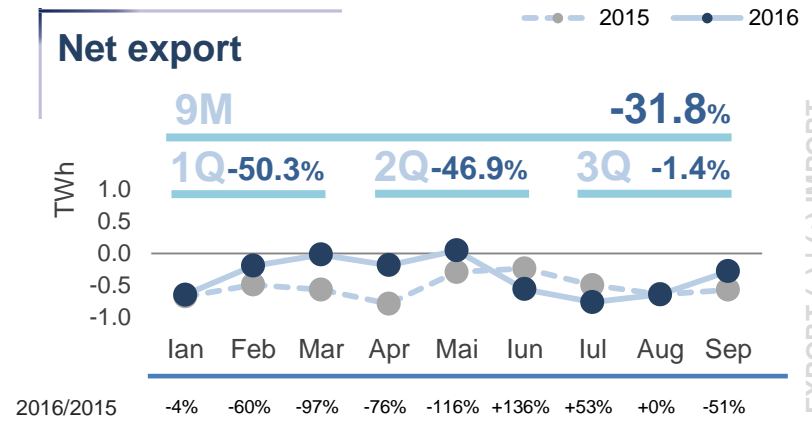
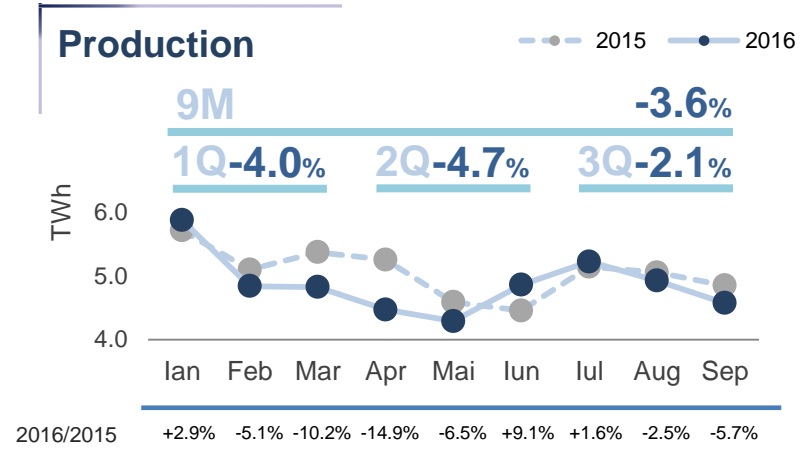
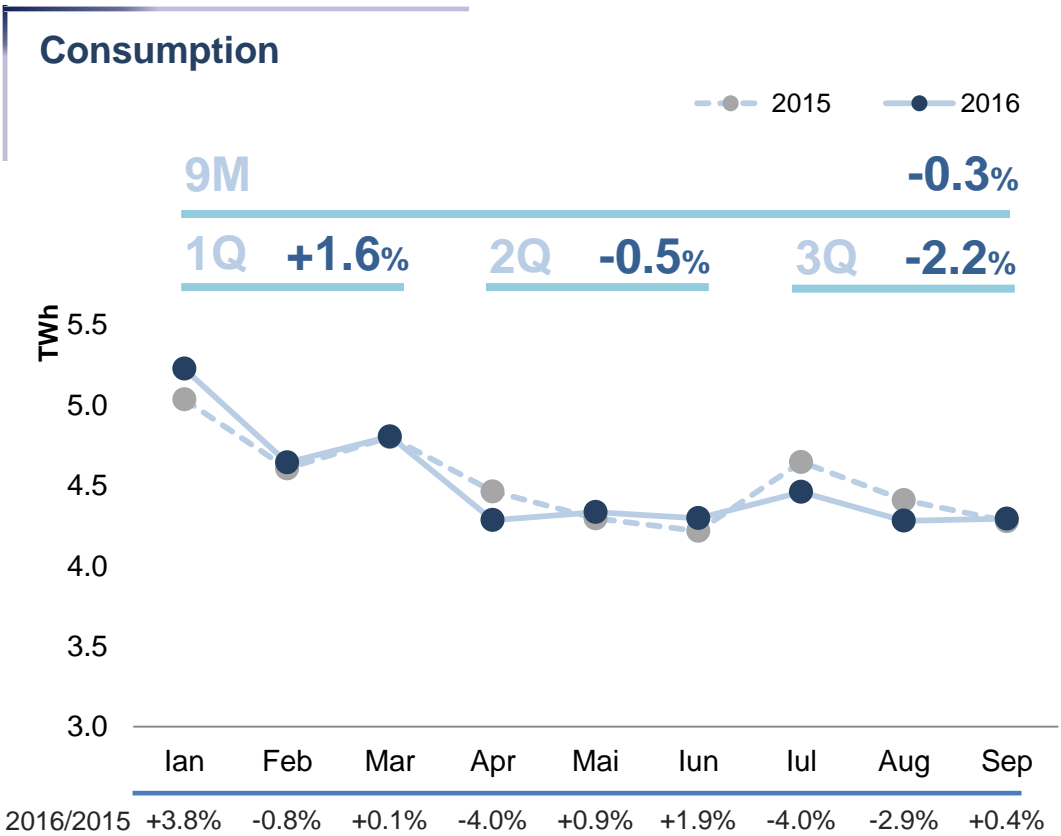
*consumption/generation numbers do not include power plants' own electricity consumption. Consumption includes (i) consumption for hydro pumped storage, and (ii) energy losses in transmission and distribution networks. Cross-border net flow is calculated based on physical flows (export-import) aggregated across borders

Regulatory framework

- Profit-allowed segment: lower tariffs applied in 9M2016 as compared to 9M2015, as per the annual tariff reviews at 1-Jul-2015 (Transmission ▼ 6.8%, Dispatching ▼ 17.6%) impacting 1H2016 vs. 1H2015, and 1-Jul-2016 (Transmission ▼ 10.8 %, Dispatching ▲ 11.1%) impacting 3Q2016 vs. 3Q2015;
- Pass-through segment: the loss incurred in 1Q2016 due to legally-imposed additional purchases of back-up generation for grid balancing purposes was fully offset in 2Q2016 due to low purchase prices in the market and turned to significant profit in 3Q2016 as prices in the back-up capacity market continued to decline

Sluggish domestic demand for electricity

Falling export volumes led to a decline in domestic power production



Consumption and generation numbers do not include power plants' own electricity consumption. Consumption includes (i) energy losses in transmission and distribution networks, and (ii) consumption for hydro pumped storage. Cross-border net flow is calculated based on physical flows (import-export).



OPERATIONAL VOLUMES



9M 2016 / 9M 2015

Consumption

40.6^{TWh} / 40.8^{TWh} ▼ **0.3%**
CONSUMPTION OF ELECTRICITY (grid losses included)
6,178^{MW} / 6,220^{MW} ▼ **0.7%**
HOURLY AVERAGE

Production

43.9^{TWh} / 45.5^{TWh} ▼ **3.6%**
TOTAL NET OUTPUT
6,673^{MW} / 6,948^{MW} ▼ **4.0%**
HOURLY AVERAGE

Export physical flows

3.26^{TWh} ▼ **31.8%** ▶ **4.77^{TWh}**
NET EXPORT
5.19^{TWh} / 1.94^{TWh} ▶ **5.77^{TWh} / 0.99^{TWh}**
EXPORT / IMPORT

Cross-border capacity usage

65%^{RS}, 68%^{HU} ▶ **96%^{RS}, 98%^{HU}**
ACTUAL USAGE OF ALLOCATED EXPORT CAPACITY

OPERATIONAL VOLUMES 1H 2016 / 1H 2015

43.9 TWh / 45.5 TWh

NET PRODUCTION ▼ **3.6%**

40.6 TWh / 40.8 TWh

NET CONSUMPTION ▼ **0.3%**

3.26 TWh / 4.77 TWh NET EXPORT ▼ **31.8%**

NET CROSS-BORDER FLOW

6,178 | 8,531 MW / 6,220 | 8,488 MW

HOURLY CONSUMPTION (AVERAGE / HIGH)

20,260 MW / 20,719 MW

NET PRODUCTION CAPACITY CONNECTED TO RPS

4,368 MW / 4,138 MW

NET RES PRODUCTION CAPACITY CONNECTED TO RPS

31.88 TWh / 31.92 TWh ▼ **0.1%**

TRANSMISSION GRID INPUT VOLUME

2.32 % / 2.41% ▼ **0.09 pp**

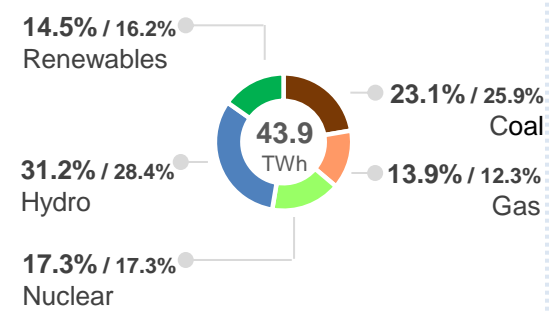
TRANSMISSION NETWORK LOSSES

*Renewable energy sources (RES) : Wind, Photovoltaic, Biomass, Geothermal.
(Micro hydro power plants not included)

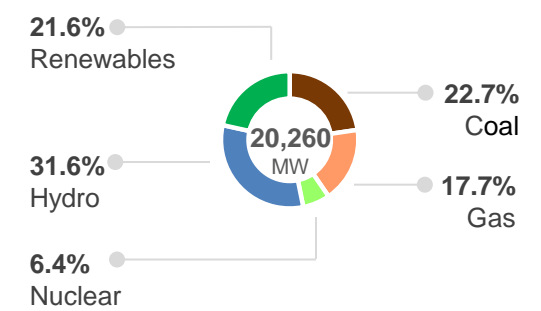
RPS: Romanian Power System

9M 2016 / 9M 2015

Production mix

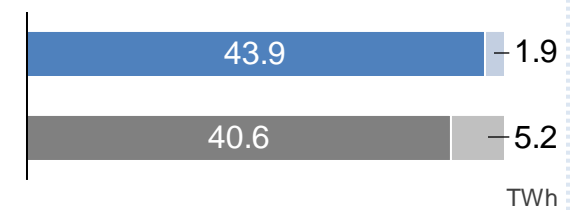


Production fleet



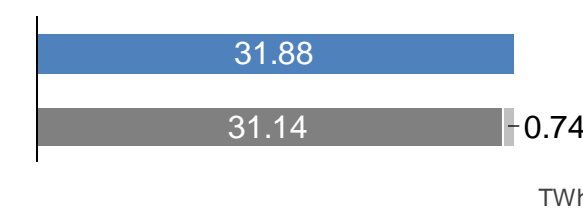
1-Oct-2016

Electricity balance



- Generation output from domestic plants
- Import
- Domestic consumption
- Export

Network losses



- Power injected into the transmission grid
- Power extracted from the transmission grid
- Losses

9M 2016 / 9M 2015

39.2 / 38.9 TWh ▲ **0.7%**
VOLUME BILLED FOR GRID OFF-TAKES (T_L)

41.1 / 42.5 TWh ▼ **3.3%**
VOLUME BILLED FOR GRID IN-TAKES (T_G)

Lei 1,898 m / Lei 2,216 m ▼ **14.3%**
REVENUES FROM OPERATIONS

Lei 933 m / Lei 1,064 m ▼ **12.3%**
REVENUES FROM PROFIT-ALLOWED SEGMENT

Lei 505 m / Lei 598 m ▼ **15.5%**
EBITDA

Lei 261 m / Lei 358 m ▼ **27.1%**
EBIT

Lei 213 m / Lei 305 m ▼ **29.9%**
NET INCOME

Total operațiuni

9M 2016 / 9M 2015 profit-allowed operations

▼ Lower tariffs
(1 Jul 2015, 1 Jul 2016)

▼ Cross-border congestion
income

▲ Provisions for doubtful debt
▲ Grid congestions
▼ Grid losses

PROFIT
FROM OPERATIONS

Revenues
Lei -130 m

Lower tariffs
Transmission fee income Lei -102 m
Dispatching fee income Lei -5 m
Cross-border congestion rents Lei -17 m
Other Lei -7 m

Expenses*
Lei +9 m

Provisions for doubtful debt (additions
of Lei +7.2 m in 9M2016 vs. reversals
of Lei -5.5 m in 9M2015)

**before depreciation and amortization*

EBITDA
Lei -139 m

Lei 472 m
(▼ 23% from lei 611 m in 2015)

Operațiuni cu profit permis

Profit & Loss

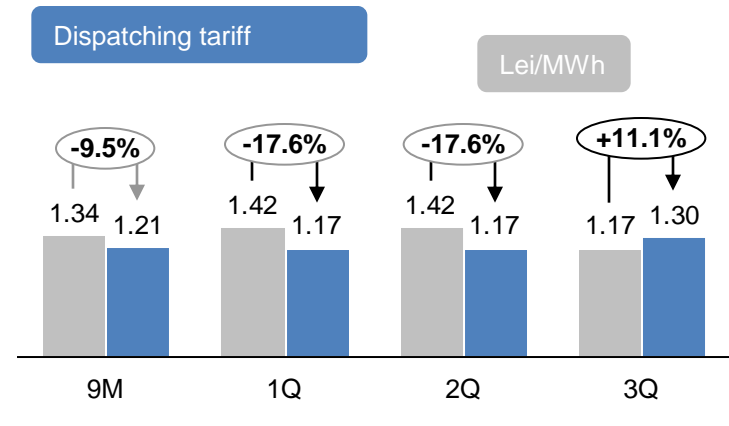
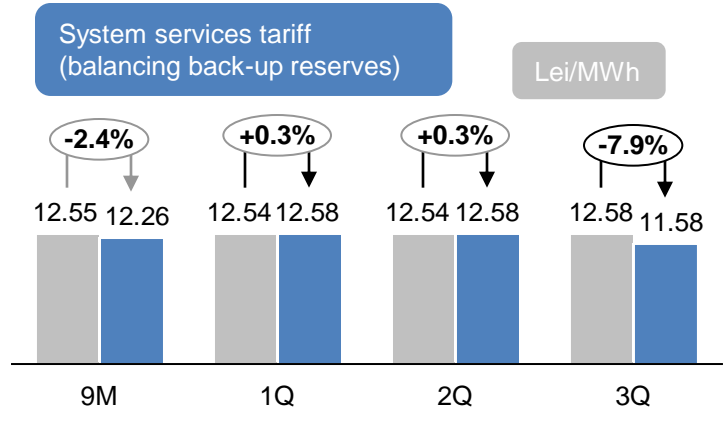
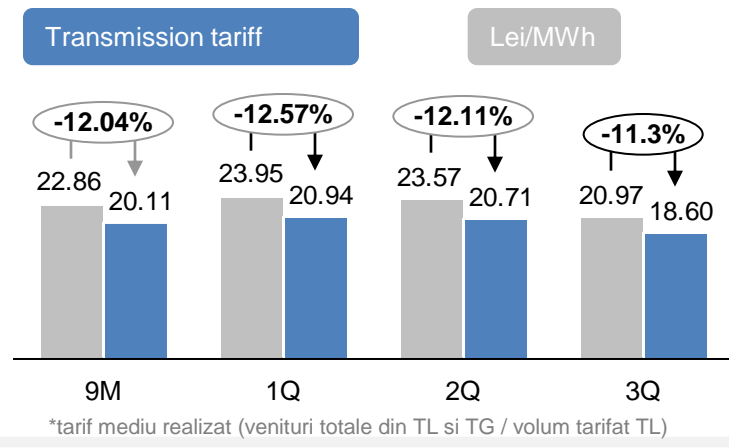
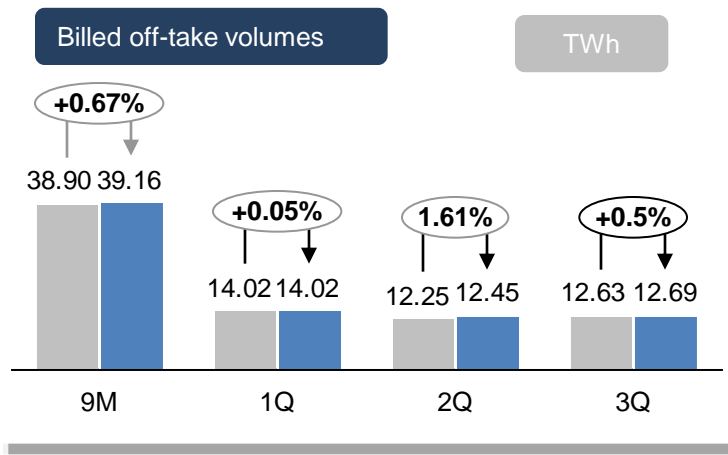
[Lei m]	9M2016	9M2015	Δ%	3Q2016	3Q2015	Δ%
Billed volume [TWh]	39.16	38.90	+0.7%	12.69	12.63	+0.5%
Profit-allowed operations						
Revenues	933	1,064	-12.3%	285	321	-11.3%
Costs	462	452	+2.0%	155	152	+1.4%
EBITDA	472	611	-22.8%	130	169	-22.7%
<i>EBITDA margin</i>	51%	57%		46%	52%	
EBIT	228	372	-38.8%	49	89	-45.1%
Pass-through operations						
Revenues	965	1,152	-16.3%	264	468	-43.7%
EBITDA	34	-13		32	19	
All operations						
Revenues	1,898	2,216	-14.3%	548	789	-30.5%
EBITDA	505	598	-15.5%	162	187	-13.3%
EBIT	261	358	-27.1%	81	108	-24.9%
Financial result	-4	1		2	2	
EBT	258	359	-28.2%	83	111	-24.8%
Net Income	213	305	-30.0%	72	94	-24.1%

slightly higher volumes

lower tariffs
stable cost basegain from system services
segment. The loss incurred in Q1
2016 was reversed to profit in
2-3Q 2016

lower dividend income

Volumes and average grid fees

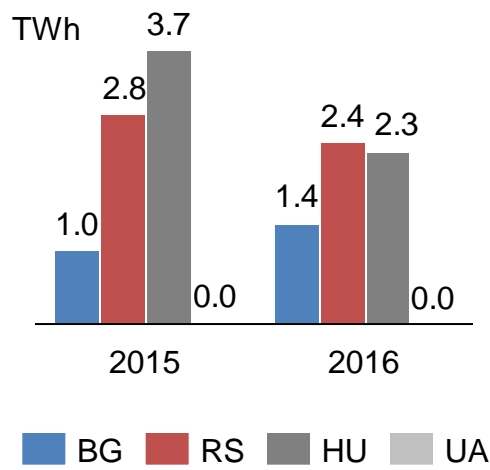


■ 2015 ■ 2016

■ 2015 ■ 2016

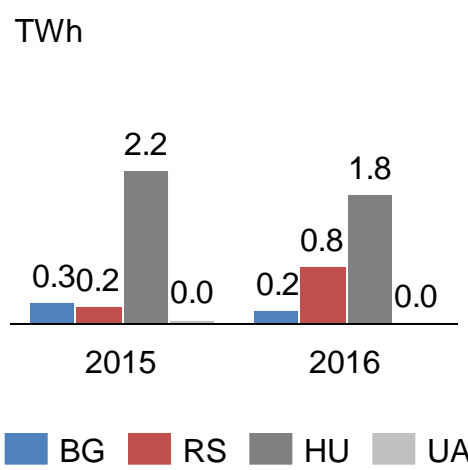
Export vs. import. Income from the sale of cross-border network capacity

Export volumes (contract volumes)



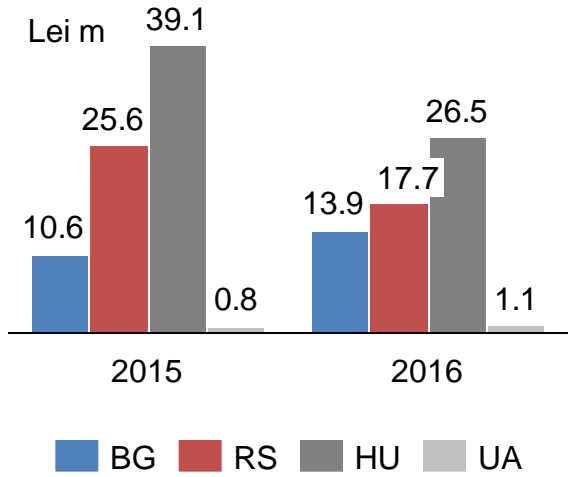
Lower exports on the Hungarian and Serbian borders. Higher exports on the Bulgarian border

Import volumes (contract volumes)



Lower y/y imports at the Hungarian border. Higher y/y imports at the Serbian border

Cross-border capacity rent income



Lower cross-border capacity rent income

Volumes (TWh) represent cross-border traded volumes aggregated across all trading timeframes (forward and spot). Cross-border income reflects the total amount of income earned by Tranelectrica in the explicit allocation (annual, monthly, day-ahead and intra-day auctions) and implicit allocation (day-ahead in the case of RO-HU border) of cross-border network capacity, aggregated for exports and imports.

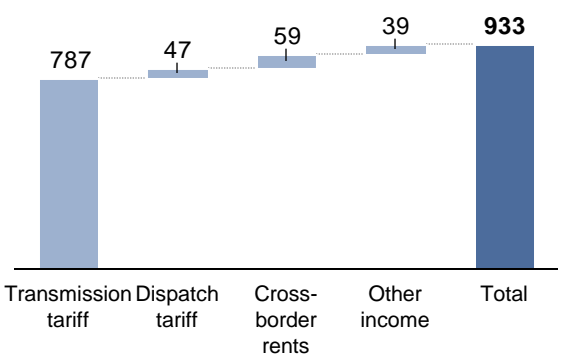
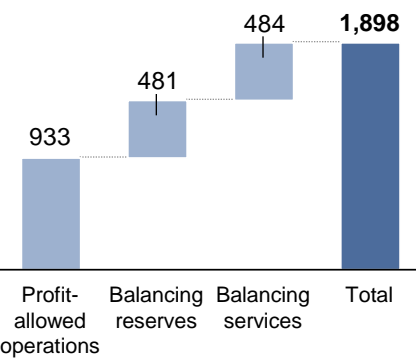
Operations | Revenues

OPERATING REVENUES

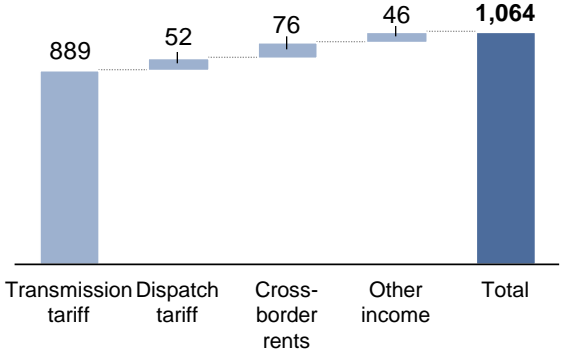
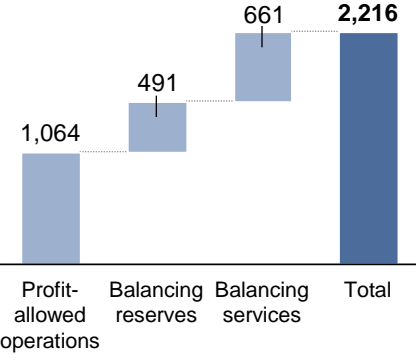
ALL OPERATIONS

PROFIT-ALLOWED OPERATIONS

9M 2016

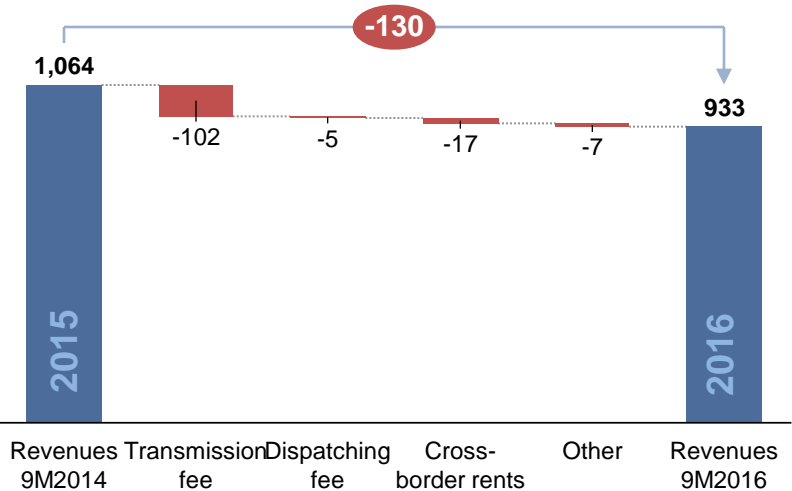


9M 2015



OPERATING REVENUES

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



DRIVERS BEHIND THE DECLINE IN REVENUES

- ▼ Revenues came under downward pressure due to tariff cuts as of mid-year 2015 and mid-year 2016 (tariffs were curtailed to offset the excess income earned in previous tariff years primarily due to higher-than-expected volumes but also due to higher ex-ante cost assumptions and higher ex-ante inflation assumption built into the transmission tariff)
- ▼ Revenues generated from cross-border capacity rents declined due to (i) lower cross-border traded volumes and (ii) new “refund” rule under which traders are now reimbursed in cases where they make capacity reservation payments to Tranelectrica but don’t actually use the capacity which is sold a 2nd time to the market by Tranelectrica

Chart unit: Lei m



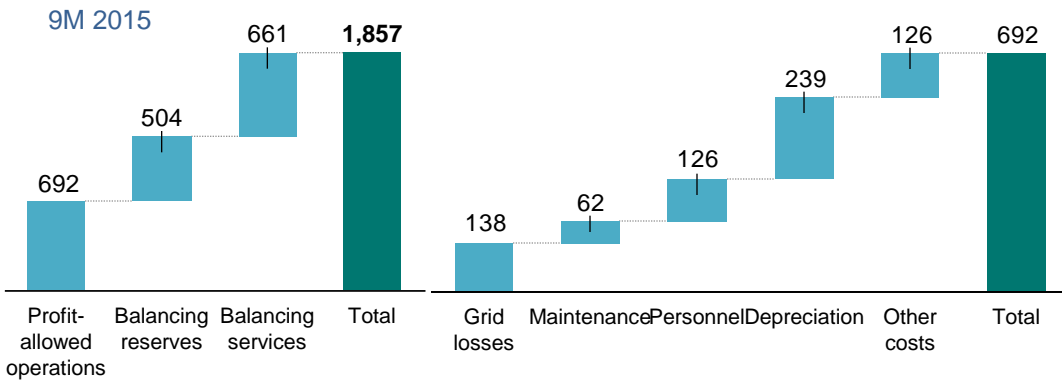
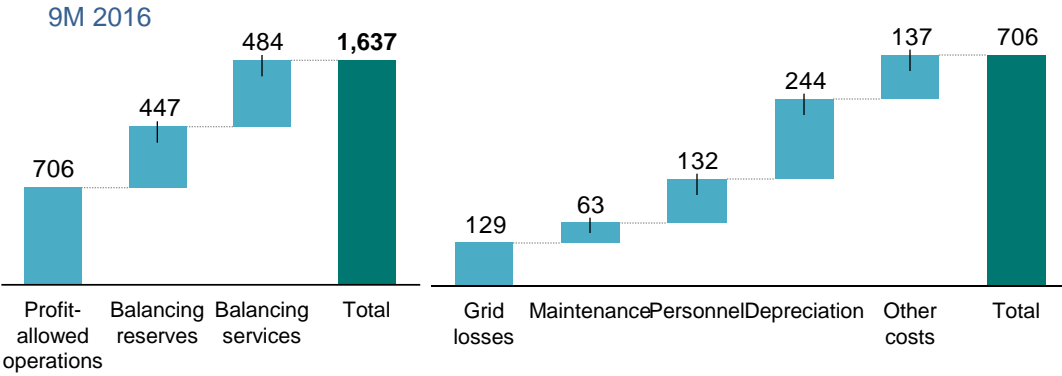
WE LEAD THE POWER

Operations | Costs

OPERATING EXPENSES

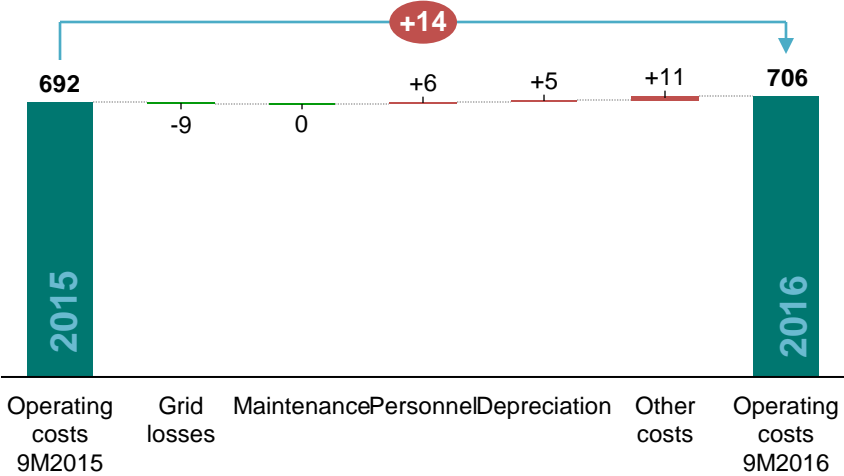
ALL OPERATIONS

PROFIT-ALLOWED OPERATIONS



OPERATING EXPENSES

PROFIT-ALLOWED OPERATIONS: BREAKDOWN



DRIVERS BEHIND THE SLIGHT INCREASE IN COSTS

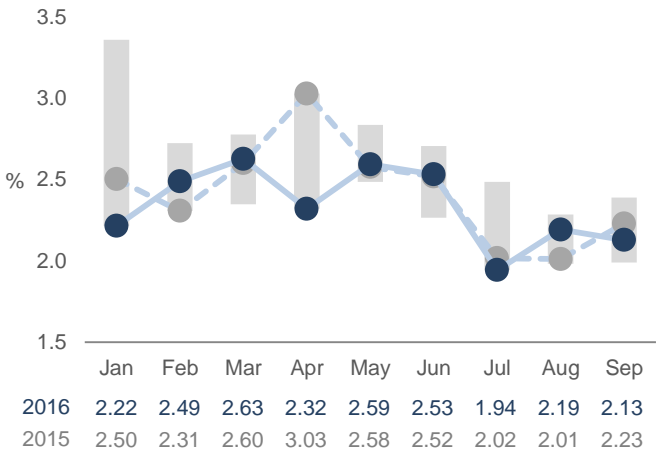
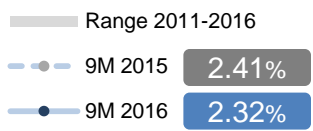
- ▲ Other costs: provisions for doubtful debt (additions of Lei +7.2 m in 9M2016 vs. reversals of Lei -5.5 m in 9M2015), grid congestions (Lei +2.0 m)
- ▲ Personnel: holiday vouchers, company pension plan

Chart unit: Lei m



9M2016 / 9M2015

-0.09PP

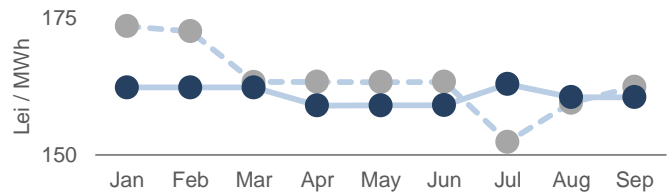


GRID LOSSES

31.88 TWh
 GRID IN-TAKE VOLUME IN 9M2016
31.14 TWh
 GRID OFF-TAKE VOLUME IN 9M2016
2.32% (0.74 TWh)
 GRID LOSSES IN 9M2016

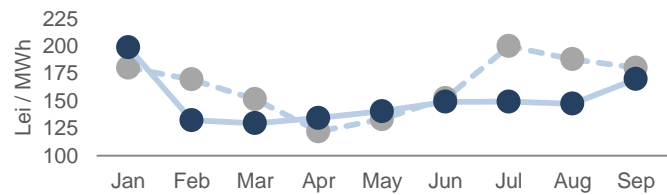
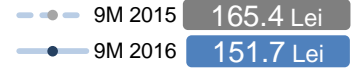
9M2016 / 9M2015

-1.5% FM



9M2016 / 9M2015

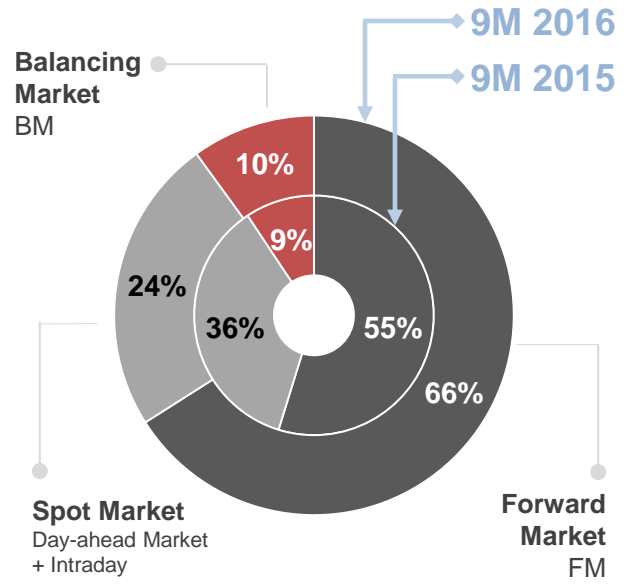
-8.3% DAM



PRICES PER MARKET

160.8 Lei/MWh (▼1.5%)
 FORWARD MARKET (FM)
151.7 Lei/MWh (▼8.3%)
 DAY-AHEAD MARKET (DAM)
318.3 Lei/MWh (▼3.4%)
 BALANCING MARKET (BM)

Operational costs | grid losses



AVE PRICE / PURCHASE MIX

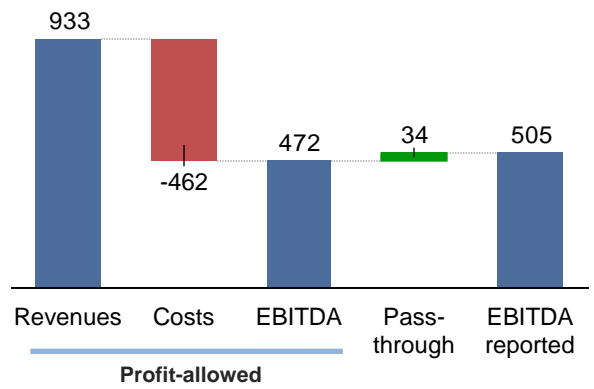
174.3 Lei/MWh (179,5 Lei/MWh in 9M2015)
 CROSS-MARKET AVERAGE PRICE PAID
66%FM / 24%SPOT / 10%BM (9M2016)
 PURCHASE MIX (VOLUMES)
55%FM / 36%SPOT / 9%BM (9M2015)
 PURCHASE MIX (VOLUMES)



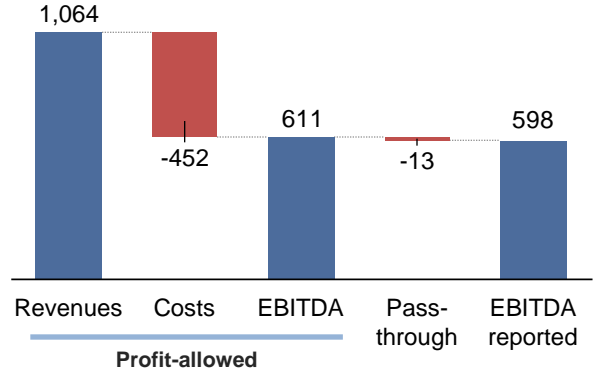
Operational profit | EBITDA

FROM REVENUES TO EBITDA

9M 2016



9M 2015



EBITDA BREAKDOWN (PROFIT-ALLOWED)

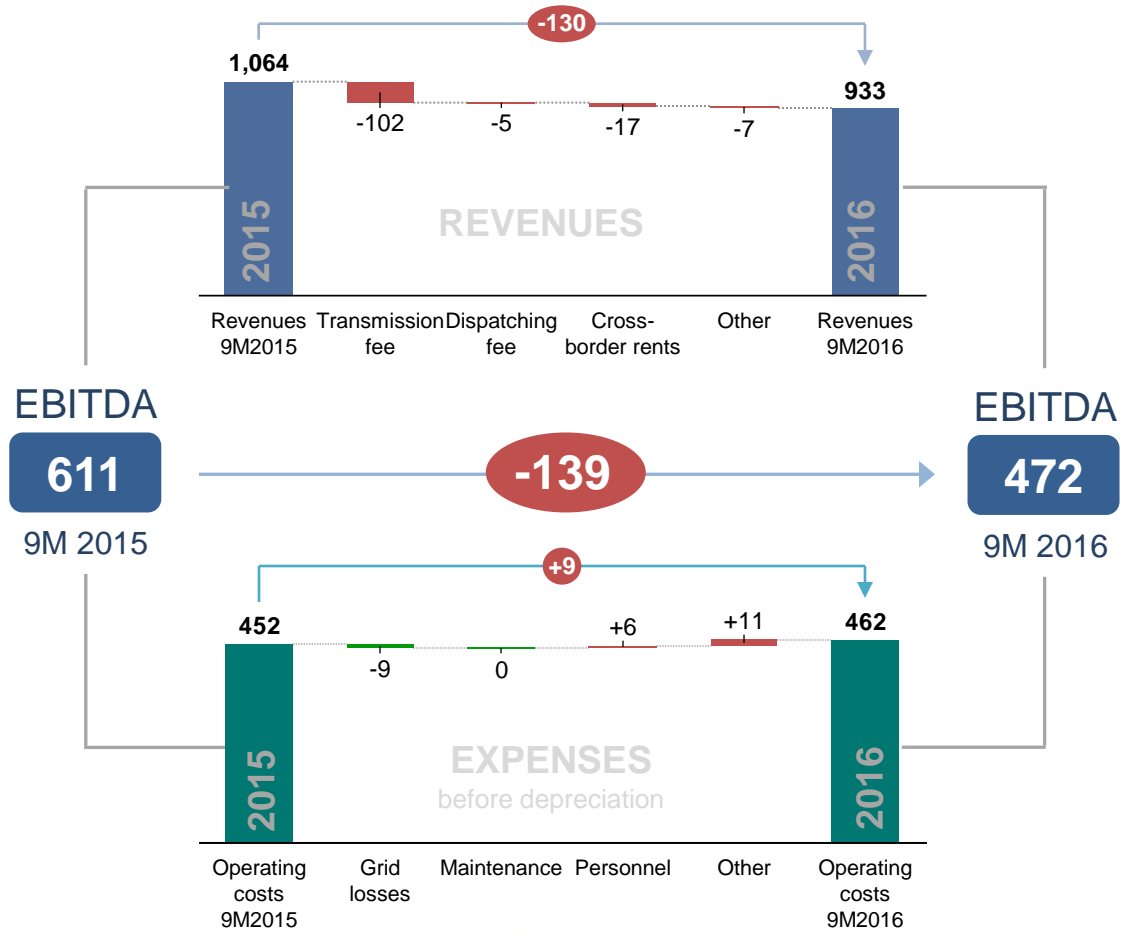


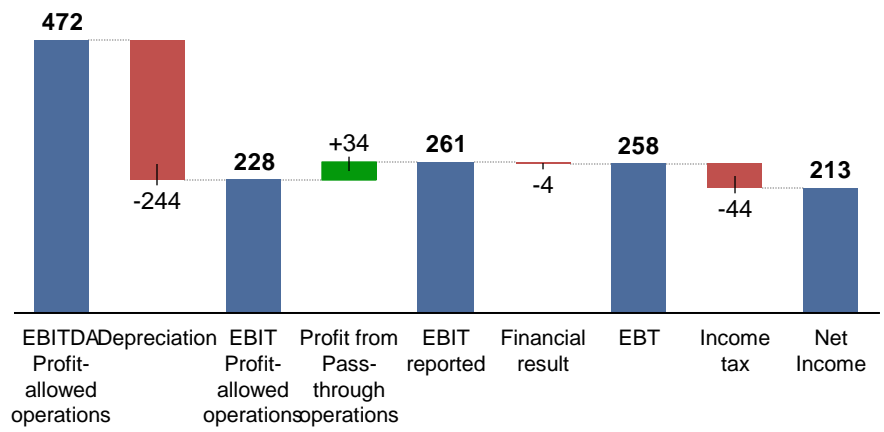
Chart unit: Lei m



Net income

FROM EBITDA TO NET INCOME

9M 2016



9M 2015

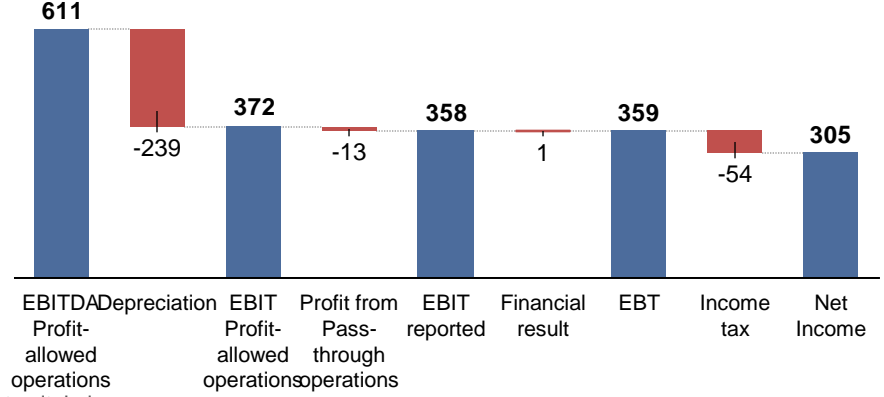
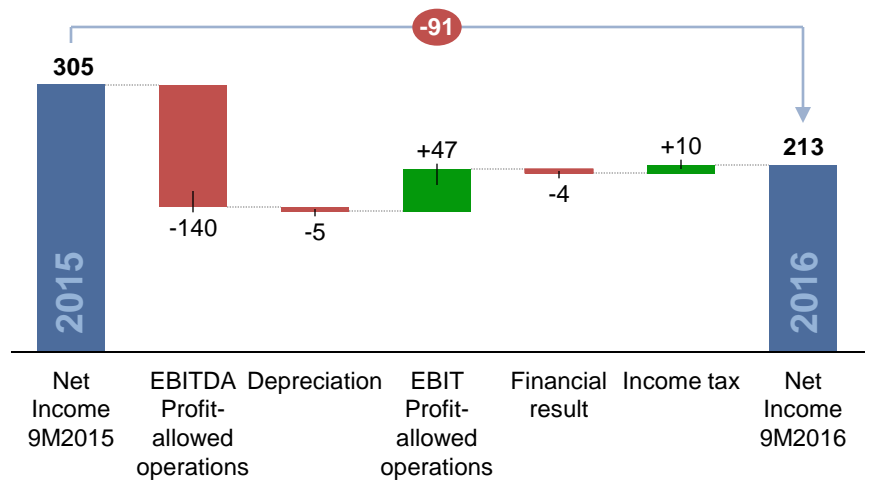


Chart unit: Lei m

NET INCOME BREAKDOWN



DRIVERS BEHIND THE NET INCOME DECLINE

- ▼ Steep decline in EBITDA from profit-allowed operations due to lower tariffs as per the regulatory reviews at 1-July-2015, 1-July-2016
- ▲ Gain from pass-through segment vs. loss incurred in 9M2015 (system services sub-segment)



30 Sep 2016

Lei 649 m

Gross financial debt
(current portion included)

Lei 137 m

Net financial debt (net of cash*)

Lei 675 m

EBITDA (most recent 4 quarters)

0.21x (capped at 0.95x by covenants)

Gross debt / Equity
(current portion included)

27.4x (floored at 4.2x by covenants)

EBITDA / interest expense

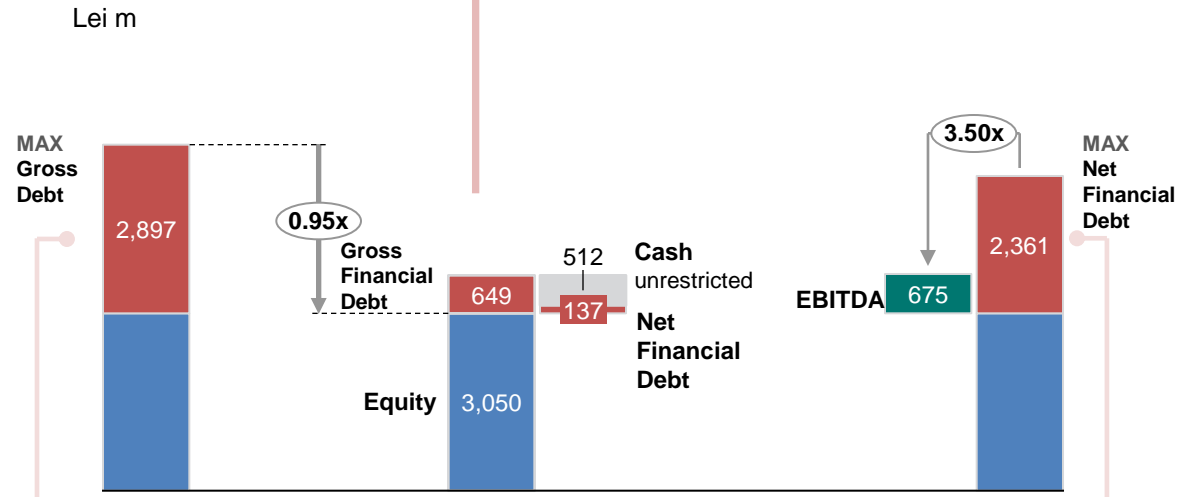
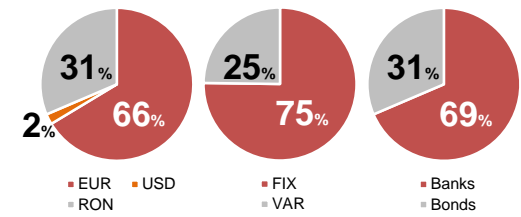
Lei 2,897 m / Lei 2,361 m

Maximum debt levels given covenant constraints
D/E (left-hand side) and Net Debt/EBITDA (right-hand side)

*for the purpose of calculating Net financial debt, the cash balances from new connection fees (Lei 21 m), cogeneration clearing activities (Lei 140 m) and cross-border rent income booked under investment reserve (Lei 75 m) were not included in cash and cash equivalents position.

Debt breakdown

(currency, interest rate, instrument)



Significant debt capacity



Under construction

Project	Expected year of comisionary	Initial cost estimation [Lei m]	Cost post-tender contracted [Lei m]
New cross-border link Reșița (RO) – Pancevo (RS)	2017	136	81
Line Porțile de fier - Anina - Reșița*	2018	124	123
Substation Bradu 400/220/110 kV	2018	177	129
Substation Câmpia Turzii 220/110 kV	2017	86	42
Extension of substation 400 kV Medgidia Sud	2017	75	45
Substation Reșița 400/220/110 kV	2018	130	81
Substation Cluj Est 400/110 kV	2017	24	15
Substation Tihău 220/110 kV	2017	11	7
Modernization of substation Sărdănești	2018	21	11
Replacement of transforming units in various substations – phase II	2018-2019	46	40
Modernization of substation 110 and 20 kV Suceava	2017	31	25
Modernization of substation 220/110kV Dumbrava	2019	30	20

*In 1Q2016 a Lei 29.6 m advance payment was returned by the constructor. Payments will resume once a Governance Decision approving the technical and economical indicators for the project and land expropriation procedures is published

In the pipeline (pre-construction)

Procurement

Lei 237 m - procurement actions in progress

- Substation Arefu 220/110/20 kV (Lei 24.2 m , procurement completed, undergoing final contract documentation details)

Pre-procurement

5 major substation projects - pre-procurement kicked-off in 3Q 2016

- Substation Raureni 220/110 kV (estimated at Lei 24.9 m) - in progress
- Substation Domnesti 400/110/20 kV (estimated at Lei 144.4 m) - in progress

Permitting

Line projects currently pending Government approval / environmental permits / construction authorizations / land expropriation

- Line Porțile de Fier-Anina-Resita-Timisoara-Sacalaz-Arad
 - **Phase I: Porțile de Fier-Anina-Resita 118 km**
 - Phase II: Resita-Timisoara-Sacalaz-Arad 173 km
- Line Gadalın-Suceava 260 km
- Line Smardan-Gutinas 140 km
- **Line Cernavodă-Stalpu 160 km**
- Line Ostrovu Mare-RET 32 km
- Line Suceava-Balti (MD) 90 km (subject to RO-MD MoU)
- **Connections of lines Isaccea-Varna and Isaccea - Dobrudja in substation Medgidia Sud 27 km**

**Contracts signed YTD
Total: Lei 131 m**

 **1000 km** new lines 

Lei 79 m

New contracts signed in 9M2016

Total aggregate amount for 54 contracts

- Selected items:
- Lei 30.9 m - Modernization of Substation 400kV Isaccea
 - Lei 20.5 m - Modernization of Substation 220/110 kV Dumbrava
 - Lei 11.0 m - Replacement of EMS SCADA components - software component
 - Lei 2.8 m - Comunicatie fibra optica intre statiile 400/220/110 kV Bradu si 220/110 kV Stuparei



Lei 116 m

Capital expenditure

Amounts added to construction-work-in-progress

- Selected items:
- Lei 54.4 m - Modernization of Substation 400/220/110/20 kV Bradu
 - Lei 13.8 m - Cross-border 400 kV line between Resisa (Romania) and Pancevo (Serbia)
 - Lei 7.0 m - Modernization of Substation 220/110/20 kV Campia Turzii
 - Lei 3.6 m - Modernization of 400 kV lines Baragan Fetesti, Cernavoda-Pelicanu Cernavoda-Gura Ialomitei, Bucuresti Sud-Pelicanu



Lei 50 m

New commissioned assets


Amounts transferred from construction-work-in-progress to fixed assets

- Selected items:
- Lei 18.6 m - Modernization of Substation 400/220/110 kV Bucuresti Sud
 - Lei 6.5 m - Modernization of control-protection in Substation 220/110 kV Vetis
 - Lei 3.8 m - Replacement of transforming units in Substation 220 kV Fundeni
 - Lei 3.3 m - Integrated security system in substations phase IV (Substation 400/110 kV Constanta Nord)




2016-2025


≈
Lei **5.1**
bn




1,000+
km new lines



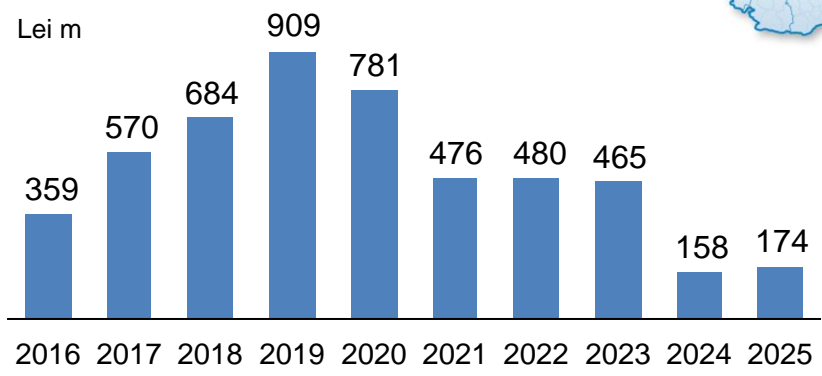
40
Substation
upgrades



New
Dispatch
platform



Capex timeline



CAPEX FOCUS AREAS

- Upgrade of existing network assets
- Grid extension and upgrade to safely take additional generation from Dobrogea area
- Cross-border interconnectivity

Selected projects

- New integrated dispatching platform
- Substations Domnesti, Smardan, Bradu, Pelicanu, Isaccea etc.
- Line Gutinas-Smardan, Line Cernavoda-Stalpu, Line Constanta Nord - Medgidia Sud (new lines)
- Line Brazi Vest - Teleajen – Stalpu (upgrade to 400 kV voltage)
- Western internal route: Portile de Fier – Arad (upgrade to 400 kV voltage)
- Line Gadalina-Suceava (new line)
- Line Suceava (RO) – Balti (MD) (new line, RO part)

Capex




€ 194 m

Funding

€ 20 m 

€ 174 m EIB, EBRD



-  **€ 14 m**
Substation 400/330 kV (Chisinau)
-  **€ 28 m**
Line 400 kV
Vulcanesti - Chisinau
150 km
-  **€ 152 m**
Substation B-t-B
Extension of Substation 400 kV (Vulcanesti)

2
years 



Thank you for your attention!



The Electricity Transmission Grid of Romania

Company under Two-Tier Management System

WE LEAD THE POWER

Legend

- 400/20 kV Transformer substation
- 220/110 kV Transformer substation
- 400/110 kV Transformer substation
- 400/220/110 kV Transformer substation
- 400/220 kV Transformer substation
- 750/400 kV Transformer substation
- 400 kV Connection substation
- Substation not managed by TEL
- ▬ 400 kV Ring
- ▬ 400 kV Bucharest's ring
- ▬ 220 kV OHL
- ▬ 400 kV OHL
- ▬ 750 kV OHL (operational at 400 kV)
- ▬ Proposed 400kV OHL
- ▬ 110 kV OHL
- ▬ 750 kV OHL (in conservation)
- 110 kV Interconnection substation with neighbouring countries
- Proposed 400/110 kV Transformer substation
- Proposed 220/110 kV Transformer substation
- ▬ Submarine cable



[Lei m]	9M 2016 IFRS unaudited	9M 2015 IFRS unaudited		3Q 2016 IFRS unaudited	3Q 2015 IFRS unaudited		2Q 2016 IFRS unaudited	2Q 2015 IFRS unaudited		1Q 2016 IFRS unaudited	1Q 2015 IFRS unaudited
Billed volume [TWh]	39.16	38.90 ▲	0.7%	12.69	12.63 ▲	0%	12.45	12.25 ▲	2%	14.02	14.02
Profit-allowed operations											
Operational revenues	933	1,064 ▼	12.3%	285	321 ▼	11%	301	352 ▼	15%	348	390
Operational revenues Transmission	852	972 ▼	12.3%	257	292 ▼	12%	278	319 ▼	13%	317	361
Operational revenues Transmission Regulated fee	787	889 ▼	11.5%	236	265 ▼	11%	258	289 ▼	11%	294	336
Operational revenues Transmission Cross-border rents	59	76 ▼	22.1%	20	26 ▼	23%	18	28 ▼	36%	22	23
Operational revenues Transmission Other	5	6 ▼	9.3%	1	2 ▼	8%	2	2 ▼	0%	2	2
Operational revenues Dispatching	49	53 ▼	9.0%	17	15 ▲	10%	15	18 ▼	17%	17	20
Operational revenues Dispatching Regulated fee	47	52 ▼	9.0%	16	15 ▲	11%	15	17 ▼	16%	16	20
Operational revenues Dispatching Unplanned cross-border flows	1	1 ▼	6.6%	0	0 ▼	40%	0	1 ▼	43%	1	0
Operational revenues Other income	32	39 ▼	16.3%	11	14 ▼	20%	8	16 ▼	50%	14	9
Operational costs	462	452 ▲	2.0%	155	152 ▲	1%	169	157 ▲	8%	138	143
Operational costs System operation	173	176 ▼	1.8%	52	54 ▼	4%	58	56 ▲	2%	63	65
Operational costs System operation Grid losses	129	138 ▼	6.3%	40	44 ▼	8%	41	44 ▼	7%	49	51
Operational costs System operation Congestion relief	3	1 ▲	221.8%	0	0 ▼	100%	0	0 ▼	4%	3	1
Operational costs System operation Power consumption in grid substations	10	10 ▲	1.1%	3	3 ▼	4%	7	3 ▲	117%	0	4
Operational costs System operation Inter-TSO-Compensation	20	18 ▲	14.3%	7	5 ▲	32%	7	6 ▲	16%	7	7
Operational costs System operation Other	10	9 ▲	9.9%	3	3 ▼	2%	3	3 ▼	15%	5	3
Operational costs Maintenance	63	62 ▲	0.5%	27	24 ▲	15%	21	25 ▼	14%	15	14
Operational costs Personell	132	126 ▲	4.9%	47	42 ▲	13%	43	44 ▼	1%	41	40
Operational costs Other	94	88 ▲	6.8%	28	33 ▼	15%	47	32 ▲	46%	19	23
EBITDA	472	611 ▼	22.8%	130	169 ▼	23%	131	195 ▼	33%	210	248
Operational costs Depreciation and amortization	244	239 ▲	1.9%	81	79 ▲	3%	81	80 ▲	1%	82	80
EBIT	228	372 ▼	38.8%	49	89 ▼	45%	50	115 ▼	57%	129	167
Pass-through operations											
Operational revenues	965	1,152 ▼	16.3%	264	468 ▼	44%	294	295 ▼	0%	407	389
Operational revenues System service	481	491 ▼	2.0%	146	159 ▼	8%	157	155 ▲	2%	177	177
Operational revenues Balancing service	484	661 ▼	26.8%	117	309 ▼	62%	137	140 ▼	2%	230	212
Operational costs	931	1,165 ▼	20.1%	232	450 ▼	49%	280	308 ▼	9%	420	407
Operational costs System service	447	504 ▼	11.3%	114	141 ▼	19%	143	168 ▼	15%	190	195
Operational costs Balancing service	484	661 ▼	26.8%	117	309 ▼	62%	137	140 ▼	2%	230	212
EBIT	34	-13 ▲	349.2%	32	19 ▲	72%	14	-14 ▲	202%	-12	-19
All operations (profit-allowed and pass-through)											
Operational revenues	1,898	2,216 ▼	14.3%	548	789 ▼	30.5%	594	647 ▼	8%	755	779
Operational costs	1,393	1,618 ▼	13.9%	386	602 ▼	36%	449	466 ▼	3%	557	550
EBITDA	505	598 ▼	15.5%	162	187 ▼	13.3%	145	181 ▼	20%	198	229
Operational costs Depreciation and amortization	244	239 ▲	1.9%	81	79 ▲	3%	81	80 ▲	1%	82	80
EBIT	261	358 ▼	27.1%	81	108 ▼	25%	64	101 ▼	37%	116	149
Financial result	-4	1 ▼	608.6%	2	2 ▼	18%	-8	-3 ▼	166%	2	1
EBT	258	359 ▼	28.2%	83	111 ▼	25%	56	99 ▼	43%	118	150
Income tax	-44	-54 ▲	18.4%	-12	-16 ▲	29%	-14	-15 ▲	7%	-19	-24
Net Income	213	305 ▼	30.0%	72	94 ▼	24.1%	43	84 ▼	49%	99	126

Separate statement of financial position

[Lei m]	30 Sep 2016	31 Dec 2015
	IFRS unaudited	IFRS audited
Assets		
Property, plant and equipment	3,178	3,341
Intangible assets	12	35
Financial assets	79	56
Total non-current assets	3,283	3,432
Inventories	33	34
Trade and other receivables	534	723
Cash and cash equivalents	748	974
Other financial assets	293	70
Total current assets	1,608	1,802
Total assets	4,891	5,234
Share capital	733	733
Share premium	50	50
Legal reserve	99	99
Revaluation reserve	562	604
Other reserves	57	56
Retained earnings	1,548	1,488
Total shareholders' equity	3,050	3,029
Long-term deferred revenue	439	463
Borrowings non-current	505	635
Other	65	69
Total non-current liabilities	1,009	1,167
Trade and other liabilities	592	776
Other tax and social security liabilities	21	7
Borrowings current	144	167
Provisions	30	38
Short-term deferred revenue	33	33
Income tax payable	12	16
Total current liabilities	832	1,038
Total liabilities	1,841	2,205
Total shareholders' equity and liabilities	4,891	5,234

Separate statement of cash flows

[Lei m]	30-Sep-16	30-Sep-15
	IFRS unaudited	IFRS unaudited
Cash flows from operational activities		
Cash flows before changes in working capital	507	594
Changes in:		
Trade and other receivables core operations	178	228
Trade and other receivables clearing within the cogeneration support scheme	(10)	115
Inventories	1	(1)
Trade and other liabilities core operations	(83)	(175)
Trade and other liabilities clearing within the cogeneration support scheme	(97)	(89)
Other tax and social security liabilities	14	(1)
Deferred revenues	(22)	(50)
Interest paid	(11)	(16)
Income tax paid	(53)	(52)
Net cash flow from operational activities	425	552
Cash flow used in investments		
Procurement of property, plant and equipment	(117)	(139)
Cash refunds from contractors for unutilised pre-payments	30	-
Interest received	5	10
Dividends received	3	7
Other financial assets	(223)	-
Net cash used in investments	(303)	(122)
Cash flow used in financing activities		
Repayments of long-term borrowings	(154)	(171)
Dividends paid	(194)	(205)
Net cash used in financing activities	(348)	(376)
Net increase/(decrease) of cash and cash equivalents	(227)	54
Cash and cash equivalents at beginning of period	974	865
Cash and cash equivalents at and of period	748	919

TRANSELECTRICA S.A.

	Web:	www.transelectrica.ro
	Stock:	ISIN ROTSELACNOR9, Bloomberg TEL RO , Reuters ROTEL.BX
	Bonds:	ISIN ROTSELDBC013
	Post:	2-4 Olteni, Bucharest 3, Romania
	E-mail:	toni.teau@transelectrica.ro relatii.investitori@transelectrica.ro
	Tel:	+40 213035611
	Fax:	+40 213035610

Chief Executive Officer (Chairman of the Executive Board): Toni Teau



WE LEAD THE POWER

WWW.TRANSELECTRICA.RO