

CNTEE Transelectrica SA
Company managed under two-tier system

Preliminary Separate Financial Statements
At the date and for the year ended
December 31, 2016

Prepared in accordance with
Minister of Finance Order no. 2844/2016
approving the International Financial Reporting Standards
applicable to companies whose securities are admitted to trading on a regulated market,
as subsequently amended

(free translation)

CNTEE Transelectrica SA

Preliminary separate statement of financial position for the year ended at December 31, 2016

(All amounts are in LEI, unless stated otherwise)

	31 december 2016	31 december 2015
Assets		
Non-current assets		
Property, plant and equipment	3,189,557,650	3,341,450,716
Intangible assets	14,457,314	34,569,691
Financial assets	78,038,750	55,944,450
Non-current receivables	9,774,959	-
Total non-current assets	3,291,828,673	3,431,964,857
Current assets		
Inventories	31,801,436	34,328,954
Trade and receivables	855,757,628	723,447,541
Other financial assets	135,090,000	70,085,000
Cash and cash equivalents	933,661,192	974,451,258
Total current assets	1,956,310,256	1,802,312,753
Total assets	5,248,138,929	5,234,277,610
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital, of which:	733,031,420	733,031,420
<i>Subscribed share capital</i>	<i>733,031,420</i>	<i>733,031,420</i>
Share premium	49,842,552	49,842,552
Legal reserves	116,989,940	99,407,385
Revaluation reserves	549,088,225	603,684,792
Other reserves	56,953,728	55,694,602
Retained earnings	1,608,179,234	1,487,644,971
Total shareholders' equity	3,114,085,099	3,029,305,722
Non-current liabilities		
Long term deferred revenue	429,858,527	462,721,487
Borrowings	501,929,998	634,589,744
Deferred tax liability	30,461,854	34,663,246
Employee benefit obligations	43,304,975	34,669,295
Non-current liabilities	1,005,555,354	1,166,643,772

CNTEE Transelectrica SA

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(All amounts are in LEI, unless stated otherwise)

	31 december 2016	31 december 2015
Current liabilities		
Trade and other liabilities	876,285,554	776,167,704
Other tax and obligations for social security	8,604,626	6,763,363
Borrowings	138,204,933	167,362,315
Provisions	50,533,951	38,255,213
Short term deferred revenues	38,125,074	33,408,244
Payable income tax	16,744,338	16,371,277
Total current liabilities	1,128,498,476	1,038,328,116
Total liabilities	2,134,053,830	2,204,971,888
Total shareholders' equity and liabilities	5,248,138,929	5,234,277,610

Directorate,**Ion - Toni TEAU****Constantin VĂDUVA****Octavian LOHAN****Mircea –Toma MODRAN**President of
Management BoardMember of the
Management BoardMember of the
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Management Board**Cristina STOIAN**Accounting and Financial
Strategy Director**Veronica CRIȘU**

Accounting Manager

CNTEE Transelectrica SA

Preliminary statement of profit or loss for the year ended 31 december 2016

(All amounts are in “LEI”, unless stated otherwise)

	2016	2015
Revenues		
Transmission revenues	1,146,057,365	1,284,807,593
System service revenues	716,336,674	731,205,273
Balancing market revenues	814,105,133	923,035,364
Other revenues	46,456,586	45,537,871
Total revenues	2,722,955,758	2,984,586,101
Operational expenses		
System operating expenses	(232,956,220)	(231,851,362)
Balancing market expenses	(814,105,133)	(923,035,364)
Technological system service expenses	(561,027,373)	(637,652,613)
Depreciation and amortization	(323,363,219)	(318,482,384)
Personnel expenses	(201,680,495)	(186,314,044)
Repairs and maintenance	(88,277,530)	(88,514,482)
Materials and consumables	(7,675,889)	(8,456,529)
Other operational expenses	(129,391,926)	(141,624,454)
Total operational expenses	(2,358,477,785)	(2,535,931,232)
Operating profit	364,477,973	448,654,869
Financial revenues	29,960,030	48,093,549
Financial expenses	(46,988,308)	(66,925,882)
Net financial result	(17,028,278)	(18,832,333)
Profit before tax	347,449,695	429,822,536
Income tax	(61,938,619)	(69,768,069)
Profit of the period	285,511,076	360,054,467
Basic result and diluted per share (lei / share)	3,8949	4,91

Ion - Toni TEAU**Constantin VĂDUVA****Octavian LOHAN****Mircea –Toma MODRAN**President of
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Accounting and Financial
Strategy Director**Veronica CRIȘU**
Accounting Manager

CNTEE TRANSELECTRICA SA

Preliminary statement of cash flows for the year ended 31 December 2016

(All amounts are in "LEI", unless stated otherwise)

[Lei]	2016	2015
Cash flows from operating activities		
Profit of the period	285,511,076	360,054,467
Adjustments for:		
Income tax expense	61,938,619	69,768,070
Depreciation and amortization	323,363,219	318,482,383
Expenses with allowances for impairment of trade and other receivables	27,752,823	30,826,111
Income from reversal of allowances for impairment of trade and other receivables	(10,367,350)	(25,955,273)
Net loss from disposal of property, plant and equipment	294,394	1,118,918
Reversal of allowances for property, plant and equipment	4,748,782	23,220,964
Net reversal of allowances for provisions for risks and expenses	12,758,367	12,081,959
Allowance for investment in a subsidiary	493,000	-
Interest expense, interest revenue and unrealised foreign exchange gains	16,967,314	18,768,695
Cash flows before changes in working capital	723,460,244	808,366,294
Changes to:		
Trade and other receivables – energy and other activities	(83,823,799)	116,216,511
Clients – balancing	(100,588,650)	91,960,770
Clients – support scheme for high efficiency cogeneration	25,310,298	118,440,683
Inventories	2,527,518	1,351,564
Trade and other liabilities – energy and other activities	(65,125,328)	(112,899,968)
Liabilities – balancing	122,259,988	(94,213,957)
Liabilities – support scheme for high efficiency cogeneration	6,642,675	21,184,221
Other tax and social security liabilities	1,841,263	(814,524)
Deferred income	(26,887,004)	(57,801,177)
Cash flows from operating activities	605,617,205	891,790,417
Interest paid	(25,002,612)	(30,710,768)
Income tax paid	(65,766,950)	(55,746,308)
Net cash flow from operating activities	514,847,643	805,333,341
Cash flows used in investing activities		
Procurement of plant, property & equipment and intangible assets	(171,758,871)	(213,560,675)
Unused down payments	29,581,392	(29,581,392)
Proceeds from sales of property, plant & equipment	37,000	-
Interest received	5,297,687	11,729,285
Dividends received	3,038,332	7,072,102
Other financial assets	(65,005,000)	78,715,000
Net cash used in investing activities	(198,809,460)	(145,625,680)
Cash flows used in financing activities		
Repayments of non-current borrowings	(162,486,218)	(196,387,449)
Dividends paid	(194,342,031)	(205,306,527)
Net cash used in financing activities	(356,828,249)	(401,693,976)
Net (decrease)/ increase of cash and cash equivalents	(40,790,066)	258,013,685
Cash and cash equivalents on 1 January	974,451,258	716,437,573
Cash and cash equivalents at the end of the period	933,661,192	974,451,258