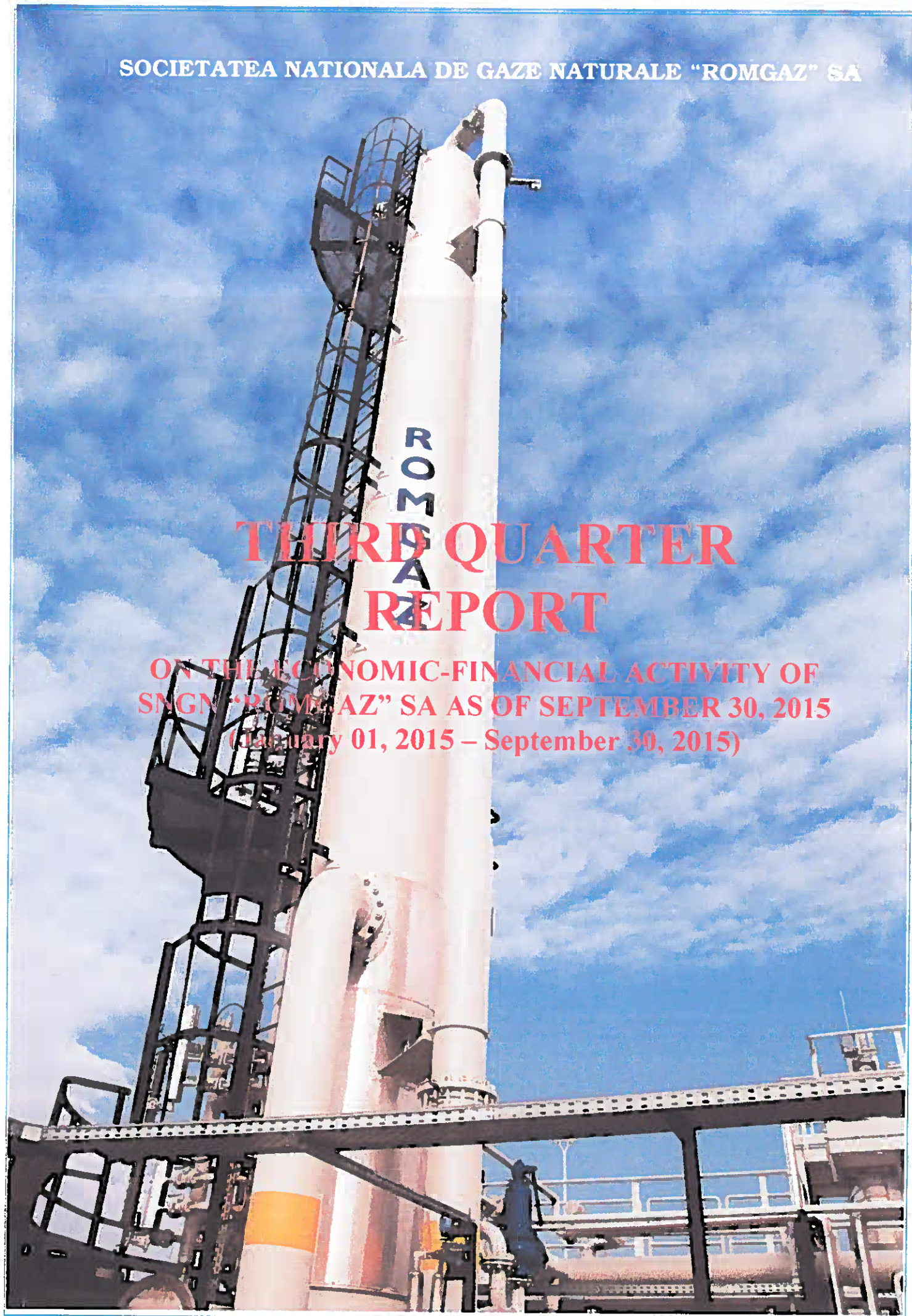


SOCIETATEA NATIONALA DE GAZE NATURALE "ROMGAZ" SA

THIRD QUARTER REPORT

ON THE ECONOMIC-FINANCIAL ACTIVITY OF
SNGN "ROMGAZ" SA AS OF SEPTEMBER 30, 2015
(January 01, 2015 – September 30, 2015)



IDENTIFICATION DETAILS ON REPORT AND ISSUER

Report based on	Article 227 of Law no. 297/2004 on capital market and Annex no. 30 of CNVM Regulation no. 1/2006 for the nine-month period ended as of September 30, 2015
Report Date	November 13, 2015
Name of the Company	Societatea Națională de Gaze Naturale "ROMGAZ" SA
Headquarter	Mediaș, 4 Piața Constantin I. Moțaș, code 551130, County Sibiu
Telephone/fax number	0040 269 201020/0040 269 846901
Web/E-mail	www.romgaz.ro/ secretariat@romgaz.ro
Fiscal Code	14056826
Trade Registry No	J32/392/2001
Subscribed and paid in share capital	RON 385,422,400
Number of shares	385,422,400, each having a nominal value of RON 1
Regulated markets where the issued securities are traded:	Bucharest Stock Exchange BVB (shares), London Stock Exchange (GDRs)

COMPANY PERFORMANCES

The operating income is in accordance with the figures budgeted in the approved income and expenditures budget.

Natural gas production has been in Q3 2015 almost equal to the one recorded in Q3 2014 (1,357.8 vs. 1,362.3 million m³) and natural gas production for the first 9 months of 2015 was only 2.21% lower than the production during the similar period of 2014 (4,134.5 vs 4,227.9 million m³).

Gas quantities that haven't been sold were stored in UGSs.

The achievement of a net profit margin of 33.3%, EBIT margin of 39.5% and EBITDA margin of 57.6% confirms the high profitability of the company.

Operating expenses are higher as compared to the planned ones due to the allowance for doubtful customers of RON 187.9 million and to the partial impairment of non-current assets for exploration works in the Black Sea of RON 133 million that led to a *net profit* of RON 975.3 million.

As compared to the same period of the previous year, the company's performances were mainly influenced by the decrease of natural gas demand on the Romanian market by 2.66%.

Romgaz sold lower natural gas quantities as compared to the same period of last year because of:

- Consumption of customers that use gas for electric power production was limited for those consumers with reduced payment capacities;
- Delayed issue of the regulations on the minimum gas stock for the 2015-2016 winter and the lack of will of the main natural gas sector players to comply with regulations due to the uncertainties on carrying out the price liberalization process on the regulated market.

Relevant Financial Results

RON million

Q3 2014	Q2 2015	Q3 2015	Δ Q3 (%)	Main Indicators	9 months 2014	9 months 2015	Δ 9 months (%)
760.4	869.6	698.0	-8.2%	Revenue	3,286.8	2,933.1	-10.8%
913.2	941.6	902.3	-1.2%	Income	3,473.5	3,143.5	-9.5%
595.5	668.6	659.6	10.8%	Expenses	2,066.2	1,948.7	-5.7%
317.7	273.0	242.6	-23.6%	Gross Profit	1,407.2	1,194.8	-15.1%
74.7	69.5	33.9	-54.6%	Profit Tax	293.2	219.4	-25.2%
243.0	203.5	208.7	-14.1%	Net Profit	1,114.0	975.3	-12.4%
353.0	577.8	246.7	-30.1%	Cash flow from operational activities	1,998.2	1,473.7	-26.2%
301.2	261.4	233.2	-22.6%	EBIT	1,349.2	1,160.0	-14.0%
503.3	381.8	465.2	-7.6%	EBITDA	1,917.7	1,688.9	-11.9%
0.63	0.53	0.54	-14.1%	EPS (RON)	2.89	2.53	-12.4%
32.0%	23.4%	29.9%	-6.4%	Net Profit Rate (% from Revenue)	33.9%	33.3%	-1.9%
39.6%	30.1%	33.4%	-15.7%	EBIT Ratio (% from Revenue)	41.0%	39.5%	-3.7%
66.2%	43.9%	66.6%	0.7%	EBITDA Ratio (% from Revenue)	58.3%	57.6%	-1.3%
6,361	6,332	6,351	-0.2%	Number of employees at the end of the period	6,361	6,351	-0.2%

The figures above are rounded and therefore there may be slight differences after reconciliation.

Note: income and expenses do not include in-house works capitalized as non-current assets.

As compared to the same period of 2014 the lower revenue is related mainly to the reduced national gas demand and specifically due to the limited consumption imposed on customers having reduced payment capacities that use gas for electric power production, the delayed issue of regulations on minimum gas stock in storages.

Due to the above mentioned causes, the net profit, EBIT and EBITDA are lower as compared to the same period of 2014 when the Company recorded the best results ever. Despite all, the ratios of these financial indicators against the revenue do not record significant deviations and are highly favorable: 33.3%, 39.5% and 57.6% (as compared to 33.9%, 41.0% and, respectively, 58.3% at 9 months 2014), confirming the high profitability of the company.

Net profit per share of RON 2.53 recorded in the first nine months of 2015 shall be positively influenced by the allocation from the reserves made in previous years in compliance with GD no. 168/1998.

The reserves allocation, with a positive impact on the net profit to be allocated, has been in 2013 in amount of RON 157.5 million, in 2014 RON 241.90 million. Until the date of the financial statements as of September 30, 2015 the amount to be allocated from the reserves is of RON 127 million.

Operational Results

Q3 2014	Q2 2015	Q3 2015	Δ Q3 (%)	Main Indicators	9 months 2014	9 months 2015	Δ 9 M (%)
1,362.3	1,340.6	1,357.8	-0.33	Gas Produced (million m ³)	4,227.9	4,134.5	-2.21
947.4	1,183.7	842.6	-11.06	Gas delivered from domestic production (million m ³)	4,152.9	3,719.7	-10.43
3.0	0.0	0.0		Delivered import gas (million m ³)	72.9	2.2	-96.98
950.4	1,183.7	842.6	-11.34	Total gas delivered (million m ³)	4,225.8	3,721.9	-11.92
98.2	97.3	98.8	0.61	Petroleum Royalty (million m ³)	310.0	300.5	-3.06
1,005.0	3,600.0	2,679.0	166.57	Condensate Production (tonnes)	3,164.0	8,191.0	158.88
395.1	264.5	691.9	75.12	Electricity delivered (GWh)	1,215.6	1,102.1	-9.34
0.0	38.9	0.0		UGS gas withdrawn services (million m ³)	1,169.4	1,190.1	1.77
1,005.6	438.9	819.0	-18.56	UGS gas injection services (million m ³)	1,615.2	1,550.1	-4.03

) – includes gas from current production, own gas withdrawn from UGS and acquired domestic gas and also includes gas delivered to Iernut and Cojocna.

Gas production was in the parameters expected when preparing the program for 2015, the achieved level representing 99.5% of the planned one (4,153.9 million m³ planned vs. 4,134.5 million m³ achieved).

The evolution of gas production in this quarter reflects the seasonality of the demand, increased by the warm weather conditions during May-June and by the heat recorded in July-August. As a consequence, during the first nine months of 2015 Romgaz recorded a production 93.4 million m³ (2.2%) lower than the production of the same period of last year.

The major demand decrease in the chemical fertilizer sector, the limited consumption imposed on consumers with reduced payment capacity using gas for electric power production, the delayed issue of regulations on minimum gas stock for the 2015-2016 winter, the lack of will of the main natural gas sector players to comply with regulations due to the uncertainties on carrying out the price liberalization process on the regulated market are the causes that have led to lower sales.

By entering into production of Frasin – Gura Humorului and Caragele discoveries, the *production of condensate* recorded a major growth (159%) during the reviewed period, with a quantity of approximately 8,191 tonnes.

Electricity delivered by CET Iernut in the first nine months of 2015 has been by 22% higher (y/y) considering the decreased hydro potential. From the total electricity issued, 42% was delivered to the balancing market that lead to the consolidation of Romgaz position as electricity producer on the balancing market. The sale prices of electricity have exceeded the average prices on all markets.

ROMGAZ AT A GLANCE

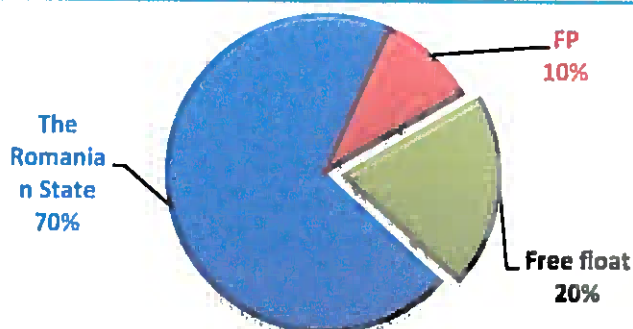
The company undertakes business in the following segments:

- ✘ natural gas exploration and production;
- ✘ UGS activity;
- ✘ natural gas supply;
- ✘ special well operations and services;
- ✘ maintenance and transportation services;
- ✘ power generation and supply;
- ✘ natural gas distribution.

Shareholder Structure

As of September 30, 2015, the shareholder structure is as follows:

	Number of shares	%
The Romanian State ¹	269,823,080	70.0071
SC "Fondul Proprietatea" SA (FP)	38,542,960	10.0002
Free float – total, out of which:	77,056,360	19.9927
*legal persons	66,026,995	17.1311
*natural persons	11,029,365	2.8616
Total	385,422,400	100.0000



Company Organization

The structural organization of Romgaz is specific for organizations of a hierarchy-functional type, with six hierarchical levels from the company's shareholders to the execution personnel.

Currently, the Company has seven branches established on the basis both of activities performed and territoriality (natural gas production branches), as follows:

- Medias Production Branch
- Târgu Mureş Production Branch
- Ploiesti Underground Storage Branch
- SIRCOSS – Branch for Well Workover, Recompletions and Special Well Operations
- STTM – Technological Transport and Maintenance Branch
- SPEE – Iernut Power Generation Branch
- Bratislava Branch.

¹ The Romanian State through the Ministry of Energy, Small and Medium Sized Enterprises and the Business Environment

Company Management

The company is governed by a **Board of Directors** composed of 7 members, having on September 30, 2015 the following structure:

Item no.	Name	Institution of employment	Position in the Board
1	Negrut Aurora	Ministry of Energy, Small and Medium Sized Enterprises and the Business Environment	Chairperson
2	Popescu Licaterina	SC "Bega Minerale Industriale" SA	Member
3	Metca Virgil Marius	SNGN "Romgaz" SA	Member
4	Jansen Petrus Antonius Maria	London School of Business and Finance	Member
5	Chisalita Dumitru	Transilvania University Brasov	Member
6	Haciu Sorana Rodica	SC "ACQUINO" SRL	Member
7	Dorcioman Dragos	Ministry of Energy, Small and Medium Sized Enterprises and the Business Environment	Member

Human Resources

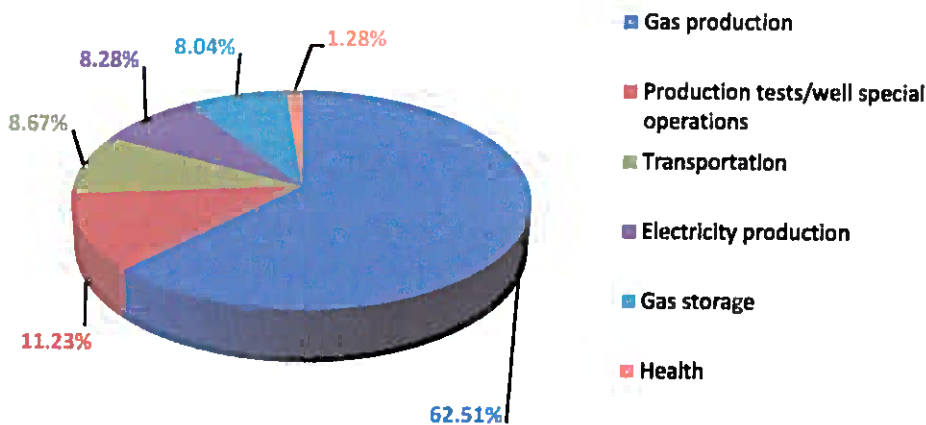
On September 30, 2015 the company had a number of 6,351 employees.

The table below shows the evolution of the employees' number between January 1, 2012 – September 30, 2015:

Specifications	2012	2013	2014	9 months 2015
	2	3	4	5
Employees at the beginning of the period	5,945	5,921	6,472	6,344
Newly hired employees	129	681 ¹⁾	92	126
Employees who terminated their labour relationship with the company	153	130	220	119
Employees at the end of the period	5,921	6,472	6,344	6,351

¹⁾ the increase is due to the takeover of CTI Ternut employees

The structure of the employees by activities at the end of the reporting period is shown in the table below:



PHYSICAL INDICATORS

The table below shows the gas quantities produced, delivered, injected/withdrawn in/from the underground storage during January – September 2015 compared to the similar period of 2013 and 2014 (million m³):

Item no.	Specifications	9 months 2013	9 months 2014	9 months 2015	Ratios
0	1	2	3	4	5=4/3x100
1.	Gross production – total, out of which:	4,198.0	4,227.9	4,134.5	97.8%
1.1.	*own gas	4,061.9	4,084.9	3,982.2	97.5%
1.2.	*Schlumberger (100%)	136.1	143.0	152.3	106.5%
2.	Technological consumption	58.2	59.8	57.8	96.7%
3.	Net own gas production (1.-1.2.-2.)	4,003.7	4,025.1	3,924.4	97.5%
4.	Own gas stored in UGS	700.4	464.2	622.0	134.0%
5.	Own gas withdrawn from UGS	262.4	450.5	293.3	65.1%
6.	Difference from conversion to Gross Calorific Value	11.8	8.0	13.8	172.5%
7.	Delivered own gas (3.-4.+5.-6.)	3,553.8	4,003.4	3,581.9	89.5%
8.	Gas delivered to CTE Iernut and Cojocna	130.6	304.0	359.4	118.2%
9.	Own gas delivered to the market (7.-8.)	3,423.3	3,699.4	3,222.5	87.1%
10.	Gas from joint ventures ^{*)} – total, out of which:	139.5	136.0	125.2	92.1%
	*Schlumberger (50%)	68.1	71.5	76.1	106.5%
	*Raffles Energy (37.5%)	3.2	0.7	0.3	41.0%
	*Amromco (50%)	68.2	63.8	48.8	76.4%
11.	Gas acquisition from domestic production	8.6	13.5	12.6	93.3%
12.	Traded domestic gas (9.+10.+11.)	3,571.3	3,848.9	3,360.3	87.3%
13.	Gas delivered from domestic production (8.+12.)	3,701.9	4,152.9	3,719.7	89.6%
14.	Delivered import gas	237.9	72.9	2.2	3.0%
15.	Total delivered gas (13.+14.)	3,939.8	4,225.8	3,721.9	88.1%
*	UGS gas extraction services invoiced	1,291.1	1,169.4	1,190.1	101.8%
*	UGS gas injection services invoiced	1,881.7	1,615.2	1,550.1	96.0%

^{*)} With respect to Romgaz – Schlumberger partnership, the gas produced is fully highlighted in Romgaz production and sold by Romgaz, and then split in equal parts between the two partners. With respect to the partnerships with Amromco and Raffles Energy, the gas produced does not represent Romgaz production but the value of the gas is reflected in Romgaz revenue in accordance with the interest share held in the partnership.

INVESTMENTS

For the first nine months of 2015, Romgaz planned investments worth *RON 988.6 million* and achieved *RON 652.5 million*, 34%, namely *RON 336 million*, lower than planned. Investments were financed exclusively from own sources.

Compared to the same period of 2014, the investments achieved in 2015 are by 13.1% lower, namely *RON 98.3 million*.

It is worth mentioning that investments in geological exploration works for the discovery of new reserves have increased significantly, being by 61.5% (*RON 149.3 million*) higher than during the same period of 2014.

The value of fixed assets put into operation during the reviewed period is *RON 420.7 million*.

A comparison by the main chapters is shown in the table below:

RON thousand

Investment Chapter	Achieved 9 months 2014	Planned 9 months 2015	Achieved 9 months 2015	2015/ 2014	A 2015/ P 2015
1	2	3	4	5=4/2x100	6=4/3x100
I. Geological exploration works to discover new methane gas reserves	242,825	460,553	392,117	161.5%	85.1%
II. Exploitation drilling works, putting into production of wells, infrastructure and utilities	126,923	93,999	39,647	31.2%	42.2%
III. Maintaining the UGS capacity	153,375	86,630	19,184	12.5%	22.1%
IV. Environment protection works	2,889	11,063	4,579	158.5%	41.4%
V. Retrofitting and revamping of installation and equipment	175,743	242,646	158,004	89.9%	65.1%
VI. Independent equipment and installations	36,155	67,489	31,478	87.1%	46.6%
VII. Expenses related to studies and projects	12,848	26,184	7,512	58.5%	28.7%
TOTAL	750,758	988,564	652,521	86.9%	66.0%

The investments for the first nine months were negatively influenced by the extension of terms related to the award of exploration drilling contracts, the impossibility of obtaining the land for installing surface facilities, the significant reduction of costs related to self-provided works and the conclusion of delivery contracts with the term in Q4.

FINANCIAL-ACCOUNTING INFORMATION

Statement of Interim Financial Position

The table below presents a summary of the statement of the individual financial position as of September 30, 2015 as compared to December 31, 2014:

INDICATOR	December 31, 2014 (RON thousand)	September 30, 2015 (RON thousand)	Variation (%)
1	2	3	$\frac{4-(3-2)}{2} \times 100$
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5,962,719	6,030,668	1.14%
Other intangible assets	407,449	488,166	19.81%
Investments in subsidiaries	-	1,200	100.00%
Associates	738	194	-73.71%
Other financial assets	76,889	70,195	-8.71%
TOTAL NON-CURRENT ASSETS	6,447,795	6,590,423	2.21%
<i>Current assets</i>			
Inventories	392,108	559,360	42.65%
Trade and other receivables	1,000,195	621,209	-37.89%
Other financial assets	916,333	853,520	-6.85%
Other assets	101,886	150,969	48.17%
Cash and cash equivalents	1,953,787	1,613,744	-17.40%
TOTAL CURRENT ASSETS	4,364,309	3,798,802	-12.96%
TOTAL ASSETS	10,812,104	10,389,225	-3.91%
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	385,422	385,422	0.00%
Reserves	2,142,347	2,571,188	20.02%
Retained earnings	7,184,249	6,516,658	-9.29%
TOTAL EQUITY	9,712,018	9,473,268	-2.46%
<i>Non-current liabilities</i>			
Retirement benefit obligation	97,265	97,265	0.00%
Deferred tax liabilities	131,305	97,191	-25.98%
Provisions	202,293	198,877	-1.69%
Total non-current liabilities	430,863	393,333	-8.71%
<i>Current liabilities</i>			
Trade and other payables	216,983	188,749	-13.01%
Current tax liabilities	93,590	60,314	-35.56%
Provisions	35,814	44,592	24.51%
Other liabilities	322,836	228,969	-29.08%
Total current liabilities	669,223	522,624	-21.91%
TOTAL LIABILITIES	1,100,086	915,957	-16.74%
TOTAL EQUITY AND LIABILITIES	10,812,104	10,389,225	-3.91%

NON-CURRENT ASSETS

The total non-current assets increased by 2.21%, i.e. RON 142.63 million, from RON 6,447.79 million as of December 31, 2014 to RON 6,590.42 million. The increase is due to the purchase of tangible and intangible assets, especially for gas exploration and production activities, under the conditions of impairment of projects in progress, impairment of some tangible assets and depreciation of such.

CURRENTS ASSETS

Current assets decreased by RON 565.51 million (12.96%) as of September 30, 2015, due to the decrease of cash and cash equivalents, state securities and trade receivables.

Inventories

The increase by 42.65% (RON 167.25 million) is a result of the increase of the gas inventory due to gas injection into the underground storages during the second and third quarters of 2015, and the increase of the tubing inventory, which is necessary for drilling gas production wells.

Trade and Other Receivables

Trade receivables decreased by 37.89% as compared to December 31, 2014 as a result of reduction in value and volume of gas delivered in the second and third quarters of 2015, and an increase of allowances for doubtful debts by RON 187.88 million.

Cash and Cash Equivalents. Other Financial Assets

As of the end of Q3 2015, cash, cash equivalents and other financial assets amounted to RON 2,467.26 million, as compared to RON 2,870.12 million at the end of 2014. The decrease is due to the fact that at the end of July 2015 the dividends related to 2014 were paid (RON 1,214.08 million).

Other Assets

Prepayments at the end of Q3 2015 are higher by RON 54.93 million than at the end of 2014 and represent the tax on special constructions, which is to affect the costs, staggered over the next period of 2015, as well as the costs with the services of gas transportation to the UGSs, which are going to be invoiced to the customers as stored gas is delivered.

EQUITY

Reserves increased by RON 428.84 million due to the appropriation to the development fund of a part of the 2014 net profit (RON 407.03 million) and a part of the current period's profit (RON 21.81 million) as a result of applying the tax facility, pursuant to the Government Decision 421/2014 on amending and supplementing the Detailed Implementation Rules of Law 571/ 2003 on the Fiscal Code.

Retained earnings dropped by RON 667.59 million, being adversely affected by the appropriation of the previous years' net profit to destinations approved by GMS, while a positive effect is generated by the net profit obtained in the nine-month period ended September 30, 2015.

NON-CURRENT LIABILITIES

The decrease of non-current liabilities is a result of the reduction of deferred tax liabilities by RON 34.11 million and a decrease of the provision for the decommissioning of tangible non-current assets by RON 3.42 million.

CURRENT LIABILITIES

Current liabilities decreased by RON 146.60 million from RON 669.22 million as of December 31, 2014 to RON 522.62 million as recorded in September 30, 2015.

Trade and Other Payables

The decrease by 13.01% is a result of the reduction of liabilities towards internal suppliers and suppliers of non-current assets, while beneficiaries of gas delivered by the company performed higher advance payments than those made at the end of 2014.

Other Liabilities

The decrease by 29.08% is a result of a the decrease of liabilities towards the state budget (VAT payable, windfall profit tax due to the deregulation of prices on the gas market, excise duty for natural gas and tax on salaries). Such tax liabilities are lower as of September 30, 2015 as compared to December 31, 2014 due to the diminished value of gas delivered and invoiced to customers, and the decrease of liability towards employees.

Current Tax Liabilities

Current tax liabilities decreased due to gross profit decline and implicitly a reduced tax base.

Provisions

Provisions recorded an increase by 24.51% as compared to the year ended December 31, 2014, being influenced by the provision created for decommissioning of fixed assets.

Statement of Interim Comprehensive Income

The synthesis of the profit and loss account of the company for the period January 1 - September 30, 2015 as compared to the similar period of 2014 is shown below:

Description	January – September 2014 (RON thousand)	January - September 2015 (RON thousand)	Variance (RON thousand)	Variance (%)
1	2	3	4=3-2	5=4/2x100
Revenue	3,286,770	2,933,107	(353,663)	-11%
Cost of commodities sold	(154,940)	(33,208)	(121,732)	-79%
Investment income	58,029	34,767	(23,262)	-40%
Other gains and losses	(195,600)	(213,534)	17,934	9%
Change in inventory	30,202	129,917	99,715	330%
Raw materials and consumables used	(38,398)	(58,934)	20,536	53%
Depreciation, amortization and impairment	(568,506)	(528,898)	(39,608)	-7%
Employee benefit expense	(323,624)	(358,748)	35,124	11%
Finance cost	(11,589)	(13,602)	2,013	17%
Exploration expenses	(21,140)	-	(21,140)	-100%
Other expenses	(751,371)	(740,426)	(10,945)	-1%
Other income	97,409	44,336	(53,073)	-54%
Profit before tax	1,407,242	1,194,777	(212,465)	-15%
Income tax expense	(293,249)	(219,446)	(73,803)	-25%
Net Profit	1,113,993	975,331	(138,662)	-12%

Revenue

The Company's revenue in the first nine months of 2015 amounts to RON 2.93 billion, as compared to RON 3.29 billion achieved in the similar period of 2014, thus a decrease by 11%.

The revenue from sales of internal gas production was lower by RON 187.97 million in the reviewed period than in Q3 2014. A positive influence was given by the higher average delivery price, offset by a reduction in delivered quantities as a result of a lower gas demand.

The Revenue from Storage Activity was influenced by the gas volumes injected into the UGSs and the sensitive modifications to the storage tariffs approved by ANRE.

Import Gas Volumes Delivered as Commodity dropped by RON 100.92 million in Q3 2015 as compared to the similar period of the previous year. The reduction in import gas volumes delivered as commodity was the result of a decreasing gas demand on the gas market as well as the provisions of *ANRE Order No. 24/2013 approving the Allocation Methodology of domestic gas production quantities to cover the regulated market consumption*, pursuant to which gas producers are no longer bound to deliver a mix of domestic and import gas.

Revenue from Sales of Internal Gas Production

Revenue from sales of internal gas production and valorisation of own gas has been analysed in detailed by influential factors using the chain substitution method. The results are shown in the table below:

Revenue from sales of internal gas production (joint ventures not included)	9 months 2014 ($q_0 \times p_0$)	9 months 2015 ($q_1 \times p_1$)	Indexes (2015/2014)
1	2	3	4=3/2x100
Volume (million m^3)	3,699.4	3,222.5	87.11%
Price (RON/thousand m^3)	670.4	711.2	106.10%
Value (RON thousand)	2,479,960	2,291,995	92.42%
Difference (2015 - 2014) (RON thousand)	(187,965)		
Volume influence ($q_1 \times p_0 - q_0 \times p_0$) (RON thousand)	(319,681)		
Price influence ($q_1 \times p_1 - q_1 \times p_0$) (RON thousand)	131,716		

Note: gas volumes in columns 2 and 3 are correlated with the volumes shown in table "Physical Indicators" row 9, columns 3 and 4.

The revenue from sales of internal gas production obtained in the period January -September 2015 was lower by RON 187.97 million than in the similar period of 2014.

Influences by factors are as follows:

- sold production volumes lower by 12.89%, resulting in lower revenue from gas deliveries to the customers as compared to the similar period of 2014 by RON 319.68 million. Delivered gas volumes do not include gas volumes delivered internally for electric power production;
- sales of gas with an average price higher by 6.10% than the one related to the similar period of the previous year, resulting in a positive influence over revenue by RON 131.72 million.

Revenue from sales of internal gas production from joint ventures

The revenue related to joint ventures achieved in the period January - September 2015 is shown in the table below as compared to the revenue achieved in the similar period of the previous year:

9 months 2014			9 months 2015			Differences	
Volume ($10^6 m^3$)	Price ($RON/10^3 m^3$)	Value ($10^3 RON$)	Volume ($10^6 m^3$)	Price ($RON/10^3 m^3$)	Value ($10^3 RON$)	$10^6 m^3$	$10^3 RON$
135.86	766.62	104,153	125.34	774.43	97,068	(10.52)	(7,085)

Revenue from joint ventures was lower than the revenue achieved in the similar period of the previous year, considering that delivered gas volumes were lower by cca.7.74%, while the average delivery price was slightly higher (+1.02%).

Revenue from Gas Import Activity

Revenue from sale of import gas	9 months 2014 ($q_0 \times p_0$)	9 months 2015 ($q_1 \times p_1$)	Indexes (2015/2014)
1	2	3	4=3/2x100
Volume (million m ³)	72.9	2.2	2.97%
Price (RON/thousand m ³)	1,428.5	1,478.0	103.47%
Value (RON thousand)	104.116	3.195	3.07%
Difference (2015 – 2014) (RON thousand)	(100,920)		
Volume influence ($q_1 \times p_0 - q_0 \times p_0$) (RON thousand)	(101,027)		
Price influence ($q_1 \times p_1 - q_1 \times p_0$) (RON thousand)	107		

Revenue from sales of import gas was lower than the previous year's result by RON 100,920 thousand. Such decrease is due to the variation of volumes and prices as follows:

- ↳ sales of gas volumes from import lower by 97.03% resulted in a reduction of revenue by RON 101.03 million. Lower delivered gas volumes are a result of a lower demand on the gas market;
- ↳ sales of gas from import with an average sale price (RON/thousand m³) higher by 3.47%, having a positive influence on the revenue by RON 0.11 million.

Revenue from Storage Activity

Within the storage activity, invoiced revenues comprise the following:

Revenue from Storage Activity	9 months 2014	9 months 2015	*RON thousand*
1	2	3	Indexes (2015/2014)
			4=3/2x100
Capacity reservation services	240,263	193,544	80.55%
Gas injection services	44,459	31,087	69.92%
Gas withdrawal services	22,304	22,751	102.01%
Other revenues from storage	227	97	42.48%
TOTAL	307,253	247,478	80.55%

Cost of Commodities Sold

For the nine-month period ended September 30, 2015, the cost of commodities sold decreased by 79% from RON 154.94 million in Q3 2014 to RON 33.21 million in the similar period of 2015, mainly as a result of reduction in sales of gas purchased from import and reduction in purchase of electric power for resale to Romgaz customers.

Investment Income

For the reporting period, the investment income decreased by 40% (RON 23.26 million), as a result of reduction in interest rates of cash placed in bank deposits, as well as a decrease of interest received for state bonds held by the company.

Other Gains and Losses

In Q3 2015, the company recorded a loss of RON 213.53 million, mainly as a result of recording allowances for doubtful debts as regards ELCEN București (RON 136 million) and Electrocentrale Galați (RON 49 million).

Changes in Inventory of Finished Goods and Work in Progress

In Q3 2015 and 2014, gas volumes owned by Romgaz injected into UGSs were higher than those withdrawn, therefore generating a positive change in inventory (income).

The difference between gas injected into and withdrawn from UGSs was higher in Q3 2015 than that recorded in the similar period of the previous year, resulting in higher income by RON 99.72 million.

Raw Materials and Consumables Used

The value of materials used was higher than in the nine-month period ended September 30, 2014 due to the high volume of current works at wells and compressor stations.

Depreciation, amortization and impairment

In the nine-month period ended September 30, 2015, depreciation, amortization and impairment expenses decreased by 7 % from RON 568.51 million as of September 30, 2014 to RON 528.90 million as of September 30, 2015. Such decrease is due to the fact that on September 30, 2015 there were recorded impairments of projects currently under abandonment and impairment of tangible and intangible assets related to the activity of natural gas exploration and production, in amount of RON 100.53 million as compared to RON 193.68 million recorded in the first three quarters of 2014.

Depreciation of tangible assets increased, as new fixed assets were put in operation.

Employee Benefit Expense

For the reporting period, payroll cost, related taxes and social security contributions increased by 11% as compared to the same period of 2014, as a consequence of modifications to the salary system pursuant to the provisions of the Collective Labour Agreement.

Exploration Expense

For the period ended September 30, 2015, no exploration projects were abandoned as compared to the similar period in 2014.

Other Expenses

The table below presents a breakdown of other expenses by elements of cost in comparison with the similar period of the previous year:

Description	January - September 2014 (RON thousand)	January - September 2015 (RON thousand)	Difference (RON thousand)	Variation (%)
1	2	3	4=3-2	5=4/2x100
Electricity	14,813	12,035	(2,778)	-18.75%
Protocol and advertising	157	164	7	4.46%
Taxes and duties	580,430	573,640	(6,790)	-1.17%
Bank commissions and similar charges	606	482	(124)	-20.46%
Insurance expenses	1,804	808	(996)	-55.21%
Compensations, fines and penalties	204	23	(181)	-88.73%
Provisions	(20,931)	(5,767)	(15,164)	-72.45%
Capacity reservation and transmission services expenses	28,903	32,455	3,552	12.29%
Other operating expenses	145,385	126,586	(18,799)	-12.93%
Total	751,371	740,426	(10,945)	-1.46%

Other Expenses decreased by 1.46% from RON 751.37 million as of September 30, 2014 to RON 740.43 million as of September 30, 2015. Such decrease is mainly due to *Taxes and Duties*, namely:

- increase of tax on additional revenue (windfall tax) obtained as a result of gas price deregulation;
- decrease of tax on special construction as a result of a lower percentage applied against the cost of such fixed assets. The percentage decreased from 1.5% to 1%.

Electricity expenses decreased because SPEE Iernut produced the power required for supporting the company's production and UGS activity. The profit and loss account reflects only the electric power supplied by third parties, its value being lower during the reviewed period.

Provisions

In the first nine months of 2015, an amount of RON 4.25 million was reversed, representing a part of the provision made for restoring land to the agricultural circuit.

During the similar period of 2014, the amount of RON 10 million was reversed, representing the provision set up on December 31, 2013 for CO₂ certificates. The amount of RON 11 million was also reversed, representing a part of the provision made for decommissioning of fixed assets. Simultaneously, a RON 2 million provision for environmental authorizations was set up.

Capacity Reservation and Transmission Services

Such expense increased during Q3 2015 as compared to Q3 2014 due to greater volumes of natural gas used for power generation.

Other Operating Expenses

These expenses decreased due to reduction in value of services performed by third parties, and lower expenses with CO₂ certificates.

Other Revenue

For the nine-month period ended September 30, 2015, other revenue decreased by 54%, meaning RON 53.07 million and relates to decreasing revenue generated by penalties.

Income Tax Expense

On September 30, 2015, the company's expense in terms of income tax was RON 219.45 million as compared to RON 293.25 million for the first nine months ending on September 30, 2015 which is mainly due to lower current income tax expense; deferred income tax was RON 34.11 million as compared to RON 8.5 million recorded for the same period during the previous year.

Profit for the Period

During the first nine months of 2015, the company's net profit decreased by RON 138.66 million (-12%), from RON 1,113.99 million to RON 975.33 million, due to the cumulated effects of the above-mentioned factors.

The comparative interim comprehensive income on segments for January-September, 2015 and January-September, 2014 respectively, is shown below:

RON thousand

Description	Gas production and sales	Storage	Other activities	Adjustments and eliminations	TOTAL
<i>Revenue</i>					
* January-September 2014	2,819,048	307,253	555,943	(395,474)	3,286,770
* January-September 2015	2,548,165	247,478	497,461	(359,997)	2,933,107
<i>Cost of commodities sold</i>					
* January-September 2014	(106,857)	(54)	(48,029)	-	(154,940)
* January-September 2015	(12,413)	(25)	(20,770)	-	(33,208)
<i>Investment income</i>					
* January-September 2014	3,699	3,400	50,930	-	58,029
* January-September 2015	1,490	4,291	28,986	-	34,767
<i>Other gains or losses</i>					
* January-September 2014	(193,475)	(278)	(1,847)	-	(195,600)
* January-September 2015	(203,042)	(319)	(10,173)	-	(213,534)
<i>Changes in inventories</i>					
* January-September 2014	31,462	(2,288)	1,028	-	30,202
* January-September 2015	111,562	15,561	2,794	-	129,917
<i>Raw materials and consumables</i>					
* January-September 2014	(3,300)	(5,887)	(31,705)	2,494	(38,398)
* January-September 2015	(39,971)	(10,296)	(12,441)	3,774	(58,934)
<i>Depreciation, amortization and impairment</i>					
* January-September 2014	(450,401)	(64,588)	(53,517)	-	(568,506)
* January-September 2015	(435,743)	(67,589)	(25,566)	-	(528,898)
<i>Employee benefit expense</i>					
* January-September 2014	(148,231)	(28,991)	(146,405)	3	(323,624)
* January-September 2015	(227,063)	(34,031)	(97,654)	-	(358,748)
<i>Finance cost</i>					
* January-September 2014	(11,589)	-	-	-	(11,589)
* January-September 2015	(12,508)	(1,094)	-	-	(13,602)
<i>Exploration expense</i>					
* January-September 2014	(21,140)	-	-	-	(21,140)
* January-September 2015	-	-	-	-	-
<i>Other expense</i>					
* January-September 2014	(819,413)	(94,694)	(231,286)	394,022	(751,371)
* January-September 2015	(790,108)	(73,154)	(234,779)	357,615	(740,426)
<i>Other income</i>					
* January-September 2014	92,413	277	5,764	(1,045)	97,409
* January-September 2015	44,128	267	1,333	(1,392)	44,336
<i>Profit before tax</i>					
* January-September 2014	1,192,216	114,150	100,876	-	1,407,242
* January-September 2015	984,497	81,089	129,191	-	1,194,777
<i>Income tax expense</i>					
* January-September 2014	-	-	(293,249)	-	(293,249)
* January-September 2015	-	-	(219,446)	-	(219,446)
<i>Net profit</i>					
* January-September 2014	1,192,216	114,150	(92,373)	-	1,113,993
* January-September 2015	984,497	81,089	(90,255)	-	975,331

Statement of Cash Flows

Statements of cash flows for January-September 2014 and January-September 2015 are indicated below:

INDICATOR	9 months 2014 (RON thousand)	9 months 2015 (RON thousand)	Variation (%)
1	2	3	4=(3-2)/2x100
Cash flows from operating activities			
Net profit for the period	1,113,993	975,331	-12%
Adjustments for:			
Income tax expense	293,249	219,446	-25%
Interest expense	24	23	-4%
Unwinding of decommissioning provision	11,565	13,579	17%
Interest revenue	(58,029)	(34,767)	-40%
Loss on disposal of non-current assets	14,803	15,716	6%
Change in decommissioning provision recognized in profit or loss, other than unwinding	(10,964)	(1,114)	-90%
Change in other provisions	(12,983)	(4,653)	-64%
Expenses for impairment of exploration assets	137,485	107,296	-22%
Exploration costs	21,140	-	-
Impairment of non-current assets	56,192	(6,763)	-
Depreciation and amortization	374,829	428,365	14%
Impairment of investment in associates	220	1,297	490%
Impairment of other financial investments	-	6,694	-
Losses from trade receivables and other assets	179,159	188,530	5%
Write-down allowance of inventory	-	1,308	-
Net cash generated by operating activities, prior to working capital variation	2,120,683	1,910,288	-10%
Movements in working capital:			
(Increase)/Decrease in inventory	57,104	(168,490)	-
(Increase)/Decrease in trade and other receivables	425,624	113,474	-73%
Increase/(Decrease) in trade and other liabilities	(171,879)	(94,739)	-45%
Cash generated from operations	2,431,532	1,760,533	-28%
Interest paid	(24)	(23)	-4%
Income taxes paid	(433,314)	(286,836)	-34%
Net cash generated by operating activities	1,998,194	1,473,674	-26%
Cash flows from investing activities			
Increase in investments in associates	-	(753)	-
Investments in subsidiaries	-	(1,200)	-
(Increase)/ Decrease in other financial assets	(207,133)	61,632	-
Interest received	59,470	35,948	-40%
Proceeds from sale of non-current assets	-	627	-
Loans to associates	-	(703)	-
Reimbursement of loans to associates	-	65	-
Dividends received	-	1,634	-
Acquisition of non-current assets	(254,271)	(234,676)	-8%
Acquisition of exploration assets	(469,458)	(461,752)	-2%
Net cash used in investing activities	(871,392)	(599,178)	-31%
Cash flows from financing activities			
Dividends paid	(986,550)	(1,214,539)	23%
Net cash used in financing activities	(986,550)	(1,214,539)	23%
Net increase/(decrease) in cash and cash equivalents	140,252	(340,043)	-
Cash and cash equivalents at the beginning of the year	1,563,590	1,953,787	25%
Cash and cash equivalents on September 30	1,703,842	1,613,744	-5%

The company's statement of cash flows is prepared using the indirect method, whereby net profit is adjusted for the effects of non-cash transactions, any deferrals or accruals of cash payments or receipts from operations, past or future, and items of income or expense associated with cash flows from investing or financing activities.

Reconciliation of profit before tax to cash flow generated from operating activities (before changes in net current assets) resulted in a net upward adjustment of RON 1,910.29 million for Jan.-Sep. 2015 compared to RON 2,120.68 million for the similar period of 2014.

The most important movements in cash flows were the receipts for gas delivered to the company's clients, payments for acquisition of non-current assets (RON 234.68 million) and exploration assets in amount of RON 461.75 million, as per the investment plans approved by the company.

Indicators

Company's financial performance is also reflected by the evolution of indicators as shown in the table below:

Indicators	Calculation formula	M.U.	9 months 2014	9 months 2015
1	2	3	4	5
Working Capital (WC)	$C_{lt}-A_f = E+L_{nc} +Pr+S_i-A_f$	million RON	3,466	3,276
Working Capital Requirements (WCR)	$(A_c-L+Pp)-(L_{ct}-Cr_{st}+I_{df})$	million RON	1,762	1,662
Net Cash	$WC-WCR = L-Cr_{st}$	million RON	1,704	1,614
Economic Rate of Return	$P_g/C_{lt} \times 100$	%	14.31	12.11
Return on Equity	$P_n/C_{lt} \times 100$	%	11.83	10.30
Return on Sales	$P_g/R \times 100$	%	42.82	40.73
Return on Assets	$P_n/A \times 100$	%	10.86	9.39
EBIT	$P_g+Ex_i-I_r$	million RON	1,349	1,160
EBITDA	$EBIT+Am$	million RON	1,918	1,689
ROCE	$EBIT/C_{emp} \times 100$	%	13.72	11.76
Asset Solvency	$E/L \times 100$	%	91.76	91.18
Current Liquidity	A_{ct}/L_{ct}	-	9.04	7.27
Gearing Ratio	$Lc/E \times 100$	%	0.00	0.00
Accounts Receivables Turnover	$Aar/R \times 90$	-	63.01	74.63
Non-current Assets Turnover	R/A_f	-	0.52	0.45

where:

C_{lt} long-term capital;	I_{df} deferred income
A_f non current assets;	P_g gross profit;
E equity;	P_n net profit;
L_{nc} non-current liabilities;	R revenue;
Pr provisions;	A total assets;
S_i investment subsidies;	Ex_i interest expense;
A_c (A_{ct}) current assets;	I_r interest revenue
L liquidity position;	Am depreciation, amortization and impairment;
Pp prepayments;	C_{emp} capital employed (total assets-current liabilities);
L_{ct} current liabilities;	A_c current assets;
Cr_{st} short-term credit;	L total liabilities and equity;
Lc Loan capital;	Aar Average Accounts Receivables.

PERFORMANCE OF THE MANDATE CONTRACT/DIRECTORS' CONTRACTS

The timeline of the directors' contracts, the mandate contract, the Management Plan and the Directors' Plan is the following:

- ✘ *June 12, 2013* – The Board of Directors' Resolution no. 8 approves the appointment of Mr. Virgil Marius Metea as executive director - Director General;
- ✘ *July 26, 2013* – The GSM Resolution no. 12 approves the Director Contract to be concluded with the members of the Board;
- ✘ *September 25, 2013* – the GSM Resolution no. 16 approves the 2013-2017 Directors' Plan prepared and presented by the Board of Directors;
- ✘ *December 16, 2013* – the Board's Resolution no. 29 approves the Mandate Contract concluded between Romgaz and Mr. Virgil Marius Metea as executive director-Director General.
- ✘ *January 29, 2014* – the Board's Resolution no. 1 approves the "Management Plan of Romgaz's Director General during the mandate contract's term *i.e.* 2013-2017".

Objectives and performance criteria

The Director General's Management Plan encloses his vision for fulfilling the company's strategic objectives as provided in the Directors' Plan and for meeting the performance criteria and objectives set in the Directors' Contracts.

The Director General's performance criteria and objectives are the same with the performance criteria and objectives provided in the Directors' Contracts.

The main *performance objectives* provided in the Directors' Contracts and the Management Contract may be summarized as follows:

- ✘ Increasing the company's gas resources and gas reserves portfolio by discovering new resources and by developing and improving the recovery degree of already discovered resources;
- ✘ Consolidating the company's position on the electricity supply market;
- ✘ Optimizing, developing and diversifying the underground storage activity by reconsidering its importance for ensuring safety, continuity and flexibility in supplying natural gas;
- ✘ Increasing the company's performance;
- ✘ Identifying of new growth and diversification opportunities;
- ✘ Improving the company's organization structure, including the reorganization of the internal audit function.

Together with specific measures taken for fulfilling each objective, Romgaz committed to implement general measures supporting the fulfilment of the company's strategic objectives. Such measures target the following activity segments:

- Human resources management;
- Corporate governance and social responsibility;
- Optimizing budgeting and control processes;

- Improving the company's image;
- Implementation of legal provisions on legal separation of UGS activity;
- Developing the role of the company's risk management.

Considering that the Management Plan was approved only in January 2014, the reporting of measures and actions undertaken to fulfil the company's strategic objectives starts only in Q1 2014.

The measures and actions for the fulfilment of strategic objectives, as set in the Directors' Plan, are quarterly and annually monitored by the following *indicators and performance criteria*:

No.	Indicator	M.U.	Performance criterion	Indicator	Weighting coefficient
0	1	2	3	4	5
1.	EBITDA	RON thousand	increasing	4.50%/year	0.25
2.	Revenue	RON thousand	increasing	6%/ year	0.20
3.	Labor productivity	RON/person	increasing	6%/ year	0.10
4.	OPEX to RON 1000 operating income	RON	decreasing	0.60%/ year	0.10
5.	Geological resources	million m ³	increasing	1%/ year	0.10
6.	Natural gas production decline	%	keeping stable	1.5%/ year	0.15
7.	Outstanding payments	RON thousand	keeping stable	0	0.10

For the purpose of mitigating pronounced fluctuations of the indicators due to external factors beyond the power of control of the company's management, the indicators are calculated by means of relating their resulting value over the reporting period to the arithmetic means of the indicators' values resulting during the past three time periods prior to the reporting period.

In view of the fact that:

- ✎ Government Decision no. 831 dated August 4, 2010 approved the selling by the Ministry of Economy, Commerce and Business Environment (through OPSPI), under an IPO, of a share package held at SNGN Romgaz S.A. representing 15% of the company's share capital;
- ✎ the share selling process, respectively the approval for trading of shares on the regulated market operated by Bucharest Stock Exchange and of GDRs on London Stock Exchange was successfully completed in November 2013;
- ✎ from an accounting perspective, by the time shares were admitted for trading on a regulated market, Romgaz carried out its activities in accordance with Public Finance Ministry Order no. 3055/2009;
- ✎ in 2012, after issuing Order no. 881 dated June 25, 2012, the Public Finance Minister decided to expand the scope of IFRS. According to this piece of legislation, the companies whose securities are admitted for trading on a regulated market must apply as of 2012 the IFRS when preparing the annual financial statements;

According to Public Finance Minister Order no. 1121/2006, these entities had the option (not the obligation) to prepare separate financial statements based on IFRS for other users than the Romanian state entities.

Order no. 881/2012 repeals Article 4 of Order no.1121/2006 requesting the IFRS applying entities to also prepare financial statements in accordance with national accounting provisions:

- ✎ the Public Finance Minister Order no. 1286/October 1, 2012 approved the Accounting Regulations complying with IFRS applicable to companies whose securities are admitted for trading on a regulated market.

Romgaz has the obligation to apply IFRS since 2013.

Prior to trading of shares, the company's statutory accounting was complying with Public Finance Minister Order 3055/2009 and as of 2013 it is IFRS compliant; therefore, some clarifications are due in relation to how the performance indicators' achievement degree is calculated. The Board of Directors approved on November 13, 2013 the required clarifications:

- ✎ "quarter" means the accumulated time starting from the beginning of the year until the end of the quarter for which performance indicators are calculated;
- ✎ for comparison purposes, as of 2014, for the interim periods of the year (Q1, Q2 and Q3), the indicators relating to the similar time periods of previous 3 years which were calculated according to Public Finance Ministry Order no. 3055/2009 are established as follows:

$$Indicator_{Q,i}(IFRS) = \frac{Indicator_{Q,i}(OMFP\ 3055)}{Indicator_{year}(OMFP\ 3055)} \times Indicator_{year}(IFRS),$$

where: $i=1+3$;

- ✎ for 2013, indicators were calculated based on the financial statements prepared according to Public Finance Ministry Order no. 3055/2009; at the end of the year, these are recalculated according to IFRS. Adjustments were made at the end of the year after the approval of financial statements when annual indicators are calculated according to IFRS;
- ✎ the target indicators will be set at the beginning of each year (after closing the previous year's financial statements). They are calculated as an average over the past three years and of the envisaged performance indicator.

Results 2012-2015

The value of main indicators achieved during the first nine months of years 2012 to 2015 are shown in the table below (RON thousand):

Indicators	9 months 2012	9 months 2013	9 months 2014	9 months 2015
1	2	3	4	5
Revenue	2,878,041	2,587,050	3,286,770	2,933,107
Operating revenue ¹⁾	3,205,933	2,908,235	3,624,392	3,267,689
Operating expense ¹⁾	2,089,833	1,972,404	2,103,725	1,902,025
Gross profit	1,184,750	957,483	1,407,242	1,194,777
Net profit	977,323	796,889	1,113,993	975,331
EBITDA	1,622,730	1,605,943	2,167,490	1,938,114
Operating expenses to 1000 RON operating income (RON)	651.9	678.2	580.4	582.1
Average number of employees	5,729	6,253	6,221	6,190
Labour productivity (revenue RON thousand /employee)	502.4	413.7	528.3	473.8
Gas production (million m ³)	4,205.7	4,198.0	4,227.9	4,134.5
Volume of geological resources (million m ³)	800	1,830	1,070	2,450
Outstanding payments	0	0	0	0

¹⁾ - excluding impairment and provisions .

January-September 2015 Results

The table below shows the achievement for Q3 2015 of performance indicators and criteria:

	Weighting factor	Indicator	Average values 2012-2014	Target values	Achieved values	Achievement rate	Weight
1	2	3	4	5	6	7=6/5x100	8=2x7
EBITDA	0.25	+4.5%	1,798,721.1	1,879,663.5	1,938,114.4	103.1	25.78
CA	0.20	+6%	2,917,286.3	3,092,323.5	2,933,107.0	94.9	18.98
W	0.10	+6%	480.8	509.6	473.8	93.0	9.30
C_{expl}/V_{expl}	0.10	-0.6%	633.1	629.4	582.1	108.1	10.81
RES	0.10	+1%	1,233.3	1,245.7	2,450.0	196.7	19.67
d _Q	0.15	-1.5%	4,080.5 ²	4,019.3	4,134.5	102.9	15.44
P _{res}	0.10	0	0	0		110.0	11.00
Total	1.00	-	-	-	-	-	110.98

EBITDA – (RON thousand);
 CA – revenue (RON thousand);
 W – labour productivity (RON thousand /employee);

² is the Q3 2012 production adjusted with the annual targeted decline of 1.5%; 2012 is considered „base year“.



$C_{\text{expl}}/V_{\text{expl}}$	- operating expenses to RON thousand operating income;
RES	- volume of geological resources (million m ³);
d _Q	- gas production decline (%);
P _{res}	- outstanding payments (RON thousand).

The performance indicators and objectives achievement degree is **110.98%**.

The achievement of performance indicators and of the performance criteria has been positively influenced by:

- *EBITDA* – higher by RON 58.5 million (+3.1%) compared to target value;
- *Operating expenses to RON 1000 operating income* – lower by RON 47.3 (-7.5%) compared to target value;
- *Volume of geological resources* – higher by RON 1,204.3 million m³ (+96.7%);
- *Natural gas production* – higher by 115.2 million m³ compared to target value

The following indicators have not been fully achieved:

- *Revenue*– lower than the target value by RON 159.2 million (-5.1%);
- *Labour productivity* – lower than the scheduled productivity by RON 35.8 thousand/ employee (-7.0%).

Attached hereto are the Interim Financial Statements for the 9 month period ending on September 30, 2015 prepared in accordance with IFRS.

Signatures:

Chairman of the Board

AURORA NEGRUȚ

Director General

MARIUS VIRGIL METEA

Economic Department Director,

LUCIA IONAȘCU