

REPORT regarding net profit distribution for financial year 2013

The proposal for net profit distribution for 2013 was achieved considering the following:

- ✗ The provisions of *Government Ordinance no. 64/2001 regarding profit distribution to national authorities, national companies and trading companies with full or majority state-owned capital, as well as to autonomous regias, including subsequent amendments and additions;*
- ✗ The specifications approved by *Order no.144/2005 of the Ministry of Public Finance regarding the approval of Specifications for determination of the amounts subject to profit distribution in accordance with GO no. 64/2001 regarding regarding profit distribution to national authorities, national companies and trading companies with full or majority state-owned capital, as well as to autonomous regias, approved with amendments by Law no. 769/2001, including subsequent amendments and additions;*
- ✗ The provisions of *GO no. 924 from November 27, 2013, regarding the adjusted budget of income and expenditures for 2013 for Societatea Națională de Gaze Naturale "Romgaz" SA Mediaș, under the authority of Department for Energy;*
- ✗ The budget of income and expenditures of the company as it was approved by *Resolution no. 21/December 30, 2014 of the General Meeting of Shareholders.*

When drawing up the budget of income and expenditures for 2013 the conditions imposed by the Memorandum were respected: "*Measures to be taken into account when drawing up the budgets of income and expenditures for 2013 of traders with capital or assets directly or indirectly owned by State*", approved by the Government of Romania, which provides "the distribution of a minimum quota of 85% of the net profits [...] in the form of dividends".

The net profit distributed according to the financial statements is **995,554,378.09 lei.**

The share of net profit distributions in the form of dividends is 85%, resulting from the process of rounding off to two decimal places of the gross dividend per share.

The proposal regarding the profit distribution for the targets provided in GO no. 64/2001 is presented in the table below:

	Indicators	Value (lei)
0	1	2
A.	Gross result of financial year	1,300,642,768.09
B.	Current income tax	416,483,576.00
C.	Deferred income tax	111,395,185.00
D.	Net result of financial year [A.-B.+C.], from which:	995,554,377.09
a)	Legal reserve	476,804.00
b)	Other reserves representing fiscal facilities provided by law	0
c)	Retained earnings of accounting income of the previous years	157,638,652.00
c ¹)	Formation of proper financing sources for projects co-financed from external loans	0
d)	Other distributions provided by special laws	0
E.	Remaining net profit [D.-a+c]	1,152,716,225.09
e)	Employees participation to profit	12,738,490.00
f)	Dividends due to shareholders	990,636,509.00
g)	Profit for formation of proper financing sources	162,079,717.09
*	TOTAL DISTRIBUTIONS	1,153,193,030.09

Establishment of profit distributed amounts set off in the annex to the present Report, to which the following specifications are made:

- The amount of 476,804.00 lei was distributed for legal reserve because in accordance with Art. 183, paragraph (1) and (2) from Law no. 31/1009 of a company, with subsequent amendments and additions, the legal reserve is constituted by the net profit up to a maximum of 20% of the share capital.
- The retained earnings (profit) in amount of 157,638,652 lei represents an income for the previous period (138,705.87 lei) to which was added the depreciable cost of fixed assets and investment projects abandoned in the reporting year and whose financing source was the share of expenditures necessary for the development and modernization of the natural gas production, according to Government Decision no. 186/1998, with the subsequent amendments and additions (157,499,946.13 lei)
- Employees participation to profit was established within the limits of the average monthly basic salary per employee achieved for 2013, based on the achieved average number of employees;
- The dividends due to shareholders were determined taking into account the provisions of Order no. 144/2005 of the Minister of Finance (OMFP), by applying the 85% share of the net profit remaining after its reunification with the amount of expenditures representing the employees participation to

profit, which affected the gross profit by recording a cost in amount of 12,738,490 lei, in accordance with Order no. 128 and Order no. 418/2005 of the Ministry of Finance (OMF).

Considering the above mentioned, we submit for review and approval the following:

- 1. Profit distribution for targets provided in the present report;**
- 2. Employees participation to profit in accordance with the Government Ordinance no. 64/2001.**

**Chairman
of the Board of Directors
Aurora Negrut**



**Determination of
Profit distributed amounts for 2013 according to G.O. no.64/2001,
with subsequent amendments and additions and the specifications
approved by OMFP no.144/2005**

lei

A.	Distributed net profit	995,554,378,09
a)	Legal reserve (art.183 par.(1) and (2) of Law no.31/1990 - Equity capital - Share of 20% where: Existent reserve fund Established reserve fund (admitted amount)	476,804.00 385,422,400.00 77,084,480.00 76,607,676.00 476,804.00
b)	Other reserve representing fiscal facilities provided by law (not applicable)	0
c)	Retained earnings, accounting profit from previous years	157,638,652.00
c¹)	Formation of proper financing sources for projects co-financed from external loans (not applicable)	0
d)	Other distributins prtoived by special laws (not applicable)	0
B.	REMAINING NET PROFIT (A+c-a)	1,152,716,226.09
e)	Employees participation to profit	12,738,490.00
f)	Gross dividends due to shareholders (85% of the remaining profit after deduction of the amount provided in letter a), to which the amount in letter c) and e) is added).	990,636,509.00
g)	Retained earnings due to formation of proper financing sources [B.-f)]	162,079,717.09
C.	TOTAL DISTRIBUTED PROFIT [(a)+b)+f)+g)]	1,153,193,030.09
D.	Amounts representing the employees participation in profit, retained from the gross profit before taxation - Participation to profit within the 10% limit of net profit remained to be distributed (B.) - Employees average number - average monthly basic salary achieved in 2013 - employees participation to profit fund, admitted	12,738,490.00 6 297 2022.94 12,738,490.00