

**CONPET S.A.**

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CIF: RO1350020 ; Cod CAEN 4950; Înregistrată la  
Registrul Comerțului Prahova sub nr. J29/6/22.01.1991  
Capital social subscris și vărsat 28 569 842,40 lei

**CONPET**

**Simplified Interim Financial Statements on the date and for the period of 9  
Months ended September 30, 2015**

**Prepared as per the International Accounting Standard 34 – „Interim  
Financial Reporting” adopted by the European Union**



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CONPET SA

SIMPLIFIED STATEMENT OF THE FINANCIAL POSITION AT SEPTEMBER 30, 2015  
(All amounts are expressed in RON, if not otherwise specified)

	Note	September 30, 2015 (non-audited)	December 31, 2015 (audited)
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible assets	4	402,280,248	415,493,461
Intangible assets	5	2,308,836	3,162,304
Financial investments	6	428,022	527,515
<b>Total fixed assets</b>		<b>405,017,106</b>	<b>419,183,280</b>
<b>Current assets</b>			
Inventories	7	8,137,586	7,709,304
Trade receivables and other receivables	8	41,551,217	34,812,158
Short-term investments	10	255,228,993	-
Cash and cash equivalents	9	105,691,211	343,037,311
Prepaid expenditure		298,730	213,560
<b>Total current assets</b>		<b>410,907,737</b>	<b>385,772,333</b>
<b>TOTAL ASSETS</b>		<b>815,924,843</b>	<b>804,955,613</b>
<b>Shareholder's equities and liabilities</b>			
<b>Shareholder's Equity</b>			
Share capital, out of which:		28,569,842	28,569,842
Subscribed share capital		28,569,842	28,569,842
Revaluation reserves		96,500,976	107,646,176
Legal reserves		5,713,968	5,713,968
Other reserves		495,653,492	472,512,205
Retained earnings		70,585,883	59,440,683
Year's Result		52,010,301	51,434,194
Other shareholder's equity elements		(1,891,974)	(1,891,974)
<b>Total shareholder's equity</b>	11	<b>747,142,488</b>	<b>723,425,094</b>
<b>Long-term liabilities</b>			
Deferred profit tax liabilities		1,891,974	1,891,974
Provision for employee benefits		3,639,247	3,772,056
<b>Total long-term liabilities</b>		<b>5,531,221</b>	<b>5,664,030</b>
<b>Trade liabilities</b>			
Other liabilities	14	20,746,138	30,032,321
Short-term provisions	14	27,985,848	24,001,008
<b>Total current liabilities</b>	15	<b>13,189,955</b>	<b>20,853,022</b>
<b>TOTAL LIABILITIES</b>		<b>61,921,941</b>	<b>74,886,351</b>
		<b>67,453,162</b>	<b>80,550,381</b>



CONPET SA

SIMPLIFIED STATEMENT OF THE FINANCIAL POSITION AT SEPTEMBER 30, 2015  
(All amounts are expressed in RON, if not otherwise specified)

**Deferred income**

Subsidies for investments	1,310,269	958,088
Deferred income	18,924	22,050
<b>Total deferred income</b>	<b>12</b>	<b>1,329,193</b>
<b>TOTAL SHAREHOLDER'S EQUITIES, LIABILITIES AND DEFERRED INCOME</b>		<b>980,138</b>
	<b>815,924,843</b>	<b>804,955,613</b>

General Director,  
Eng. Ilasi Liviu

Economic Director,  
Econ. Toader Sanda

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S.s. Illegible



CONPET SA

THE PROFIT AND LOSS STATEMENT AND OTHER ELEMENTS OF THE GLOBAL RESULT, FOR A PERIOD  
OF 9 MONTHS ENDED SEPTEMBER 30, 2015.

(All amounts are expressed in RON, if not otherwise specified)

	Note	January 1 – September 30, 2015 (non-audited)	January 1 – September 30, 2014 (non-audited)
Sales revenues		285,663,818	281,950,441
Other income		22,791,546	20,359,348
<b>Total operating income</b>	<b>17</b>	<b>308,455,364</b>	<b>302,309,789</b>
Expenses related to raw materials and consumables		12,976,990	13,381,060
Personnel expenses		79,038,134	72,247,039
Impairments of intangible assets		36,297,191	35,179,486
Impairments of current assets		(563,327)	(404,259)
Third parties services related expenses		81,197,207	88,687,284
Other expenses		49,326,557	46,874,047
Provisions adjustments		(7,795,876)	(4,715,605)
<b>Total operating expenses</b>	<b>18</b>	<b>250,476,876</b>	<b>251,249,052</b>
<b>Operating profit</b>		<b>57,978,488</b>	<b>51,060,737</b>
Financial income	19	4,543,019	7,404,996
Financial expenses	19	5,437	252,668
<b>Financial profit</b>	<b>19</b>	<b>4,537,582</b>	<b>7,152,328</b>
<b>Profit before taxation</b>	<b>16</b>	<b>62,516,070</b>	<b>58,213,065</b>
Income tax expense	16	10,505,769	10,259,314
Deffered income tax explesne		-	-
<b>Profit for the year</b>		<b>52,010,301</b>	<b>47,953,751</b>
<b>Other elements of the global result</b>		-	-
<b>TOTAL GLOBAL RESULT FOR THE YEAR</b>		<b>52,010,301</b>	<b>47,953,751</b>

General Director,  
Eng.Iiasi Liviu

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Economic Director,  
Econ. Toader Sanda

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Societate CONPET SA  
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2015  
(All amounts are expressed in LEI, if not otherwise specified)

	Share Capital	Other elements of Shareholder's Equity	Legal Reserves	Other Reserves	Revaluation Reserves	Retained Earnings	Profit or Loss for the Year	Total Shareholder's Equities
Balance at January 1,2015	28,569,842	(1,891,974)	5,713,968	472,512,205	107,646,176	59,440,683	51,434,194	723,425,094
Increase of Modernization Quota Fund	-	-	-	44,690,312	-	-	-	44,690,312
Decrease of Modernization Quota Fund	-	-	-	(21,549,025)	-	-	-	(21,549,025)
Revaluation surplus recognized as income	-	-	-	(11,145,200)	11,145,200	-	-	-
Year's Result	-	-	-	-	(51,434,194)	-	52,010,301	52,010,301
Allocation of profit as dividends related to the previous year	-	-	-	-	-	-	-	(51,434,194)
The transfer of the profit related to the previous year to retained earnings	-	-	-	-	51,434,194	(51,434,194)	-	-
Sold at September 30, 2015	28,569,842	(1,891,974)	5,713,968	495,653,492	96,500,976	70,585,883	52,010,301	747,142,488

General Director  
Eng. Ilasi Liviu  
S.s. Illegible Stamp

Director Economic,  
Econ. Toader Sanda  
S.s. Illegible



S.C. CONPET S.A.

Cash flow statement at June 30, 2015  
(All amounts are expressed in RON, unless otherwise specified)

**(DIRECT METHOD)**

	<b>Name of Element</b>	<b>January 1 – September 30, 2015</b>	<b>January 1 – September 30, 2014</b>
	<b>Cash flows from operating expenses:</b>		
+	Cash collection from customers	304,719,390	308,880,355
+	Other collections	5,566,842	5,287,597
-	Payments to goods and services suppliers	106,513,766	104,255,804
-	Payments to and on behalf of the employees	80,137,825	73,736,483
-	VAT payments	45,285,062	43,800,335
-	Income tax related payments	9,379,731	8,473,294
-	Other payments for operating activities	32,807,419	27,844,790
<b>A</b>	<b>Net cash from operating activities</b>	<b>36,162,429</b>	<b>56,057,246</b>
	<b>Net cash from investment activities :</b>		
+	Proceeds from sale of tangible assets	401,209	761,363
+	Proceeds from modernization quota	44,690,312	43,357,022
-	Payments related to the purchase of tangible assets	22,956,900	22,248,359
	Payments for interests, allowances, credits, differences in the exchange rate	-	-
-	Reimbursements of certain loans	-	-
<b>B</b>	<b>Net cash from investment activities</b>	<b>22,134,621</b>	<b>21,870,026</b>
	<b>Cash flows from financing activities</b>		
	Proceeds from short-term financial investments	6,640,800	-
+	Proceeds from interests related to banking investments	3,946,037	7,001,421
+	Proceeds from other financial income	4,883	535,473
-	Payments for short-term financial investments	259,979,356	-
-	Paid dividends	46,186,031	28,803,503
<b>C</b>	<b>Net cash from financing activities</b>	<b>-295,573,667</b>	<b>-21,266,609</b>
	<b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b>	<b>-237,276,617</b>	<b>56,660,663</b>
<b>D1</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>342,967,828</b>	<b>256,564,674</b>
<b>D2</b>	<b>Cash and cash equivalents at the end of the period</b> <i>to which is being added:</i> Securities as government bonds and treasury bills	<b>105,691,211</b>	<b>313,225,337</b>
		253,338,556	0
	<b>Total availabilities at the end of the period</b>	<b>359,029,766</b>	<b>313,225,337</b>



CONPET activities generate stable and visible cash flows.

The decrease in cash and cash equivalents at the end of the reporting period YoY is due to placements in short-term investments (procurement of government securities in the form of treasury bills and government bonds), mentioned in the end of the cash flow statement.

The net cash from **operating activities** records a diminution during 01.01. - 30.09.2015 (64.5%YoY), on the one hand, due to a fall in proceeds on the reported period, due to the receipt from OMV Petrom S.A., within the month of December 2014, of payments related to transport invoices with maturity in 2015 from the client OMV Petrom SA and, on the other hand, due to the augmentation of the value of the payments made to goods and services suppliers (due to the amendment, from 60 days, to 30 days, of the payment deadline of the invoices on the services supplied under the contract concluded with SNTFM CFR MARFA S.A.) and rise in payments made to the employees following the awarding of the amounts as share of profit.

As concerns the net cash from **investment activities**, we hereby observe that the values registered at the end of the two reviewed periods are positive, nevertheless describing a slightly ascending trend in 2015.

As regards the net cash from **financing activities**, the proceeds come from the negotiated interests related to the short-term deposits made and collection of the anniversary coupon related to government bonds and the payments include the purchase of the securities in the form of treasury bills and government bonds (the maturity thereof being in 2016) and the payment of dividends corresponding to the previous year.

Besides all these, in 2015 the interests in the capital market have continued their downward trend having determined the decrease of the company's proceeds obtained out of cash investments.

General Director,

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Economic Director,

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CONPET S.A.

**NOTES TO THE PERIOD OF 9 MONTHS ENDED SEPTEMBER 30, 2015**

*(All amounts are expressed in RON, if not otherwise specified)*

**1. Business Overview and General Information**

CONPET S.A. („the Company”) is the operator of the Crude Oil National Transport System, as it is being defined and regulated by Law no. 238 from 7<sup>th</sup> of June, 2004 – the Oil Law and Methodological Norms for the application of the Oil Law, approved by GD no.2075/2004.

The registered office is located in No. 1-3, Anul 1848 Street, Ploiesti, Prahova County.

As per the Provisions of the Oil Law, the operation of the Crude Oil National Transport System falls under the regulations of the National Agency for Mineral Resources („NAMR”), the competent authority representing the Romanian State interests in the oil resources sector.

CONPET acts as a joint stock company, as per Law no. 31/1990 regarding companies, republished, subsequent amendments, being a public owned company according to the terminology revealed in Law no.297/2004 concerning the capital market, being registered at the Romanian National Securities Commission – (currently the Financial Supervisory Authority) Securities Record Office (registration certificate no. 7227/1997).

As of September 2013, the shares issued by CONPET have been traded on the regulated market administered by Bucharest Stock Exchange (Rom. BVB), Equity Sector, category I, under "COTE" symbol, Securities Section, Category I. Starting January 5, 2015 BSE has applied a new market segmentation and CONPET shares have been included in the Premium Category.

*Company Setup*

CONPET was set up based on GD 1213/20.11.1990 regarding the setup of the joint stock commercial companies in the sector, under the Law no. 15/1990 related to the reorganization of the public economic units as regies autonomes and commercial companies, by the takeover of all assets and liabilities belonging to the former Crude Oil Pipeline Transport Company (Rom. I.T.T.C.).

At September 30, 2015 the company's major shareholder is The Romanian State by the Ministry of Energy (currently Ministry of Energy, Small and Medium Enterprises and Business Environment), holding 5,083,372 shares representing 58,72% of the share capital.

The interim financial statements at September 30, 2015 prepared as per the Order 1286/2012 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards are not audited.

*Company's Mission*

CONPET mission is the operation of the National Pipeline Transport System under safe and effective conditions, granting free access to the system's available capacity to all the solicitors, authorized legal persons, under equal conditions, in a non-discriminatory and transparent manner.



*Other Information related to Company Business*

CONPET delivers transport services to its clients, both through the Crude Oil National Transport system concessioned under the Oil Concession Agreement, as well as by railway, from the loading ramps to the beneficiaries, for the oil areas that are not connected to the major transport pipelines.

The Crude Oil National Transport System represents the assembly of major interconnected pipelines providing the collection of the oil extracted from the exploitation sites or the one coming from import and the transport thereof to the delivery points, to the processing units, via the pumping stations, railway loading-unloading ramps, as well as through all the installations, equipment and related facilities related.

The concessionaire of the crude oil National Transport System has the capacity of common carrier and the obligation to provide, as per the legal provisions, free access to the system available throughput to all the solicitors, authorized legal persons, under equal conditions, in a non-discriminatory and transparent manner.

The Crude Oil National Transport System belongs to the Romanian State public domain, belongs to NAMR (as per the provisions of the Oil Law), has approximately 3,020 km of pipelines, with a transport throughput of 20.5 million tons/year and is made up of the following subsystems:

- Domestic crude subsystem, 1350 km in length, with a transport throughput of 6.8 million tons/year and 126 thousand cubic meters storage capacity;
- Imported crude subsystem (1340 km in length, a transport throughput of 13.5 million tons/year and 40 thousand cubic meters storage capacity), connect Oil Terminal Constanta to the 4 refineries in Romania: Petrobrazi, Lukoil, Arpechim and Petromidia);
- Subsystem for rich gas (330 km in length and a throughput of 0.2 million tons/year, which connects the development fields to the 2 refineries of OMV – PETROM, only one of them being functional (Petrobrazi);
- Subsystem for rail transport, with 40 rail tanks for crude oil, 29 for rich gas, 13 locomotives, 12 km railway, loading-unloading ramps, related infrastructure providing for transport services to the refineries Petrobrazi, Arpechim, Lukoil, Barbatesti crude oil unloading Ramp and any other destination required by the client, here included the export.

*Legal Framework*

The activity in the oil sector is being regulated by the National Agency for Mineral Resources. The National Agency for Mineral Resources acts as Grantor of the goods belonging to the Public domain, concessioned to the operators in the oil sector, along with other state authorities, negotiates and concludes, on behalf of the Romanian State oil agreements, mining concession licenses and exploitation permits; issues regulation acts, norms, instructions, orders and rules; supervises the holders observance of the provisions, oil agreement, licenses or permits, manages the crude oil and natural gas Pipeline Transport National System and regulates the exploitation thereof by way of system concession agreements concluded with the national/commercial companies nominated by the Governments; annuls the concession/administration acts etc.



Where NAMR approves, by Order, the tariffs for the transport service by the crude oil, rich gas, condensate and ethane National Transport System, the decisions made by NAMR may bear significant effects on the Company's business.

*The tariff for the supply of the transport service through the crude oil, rich gas, condensate and ethane National Pipeline Transport System*

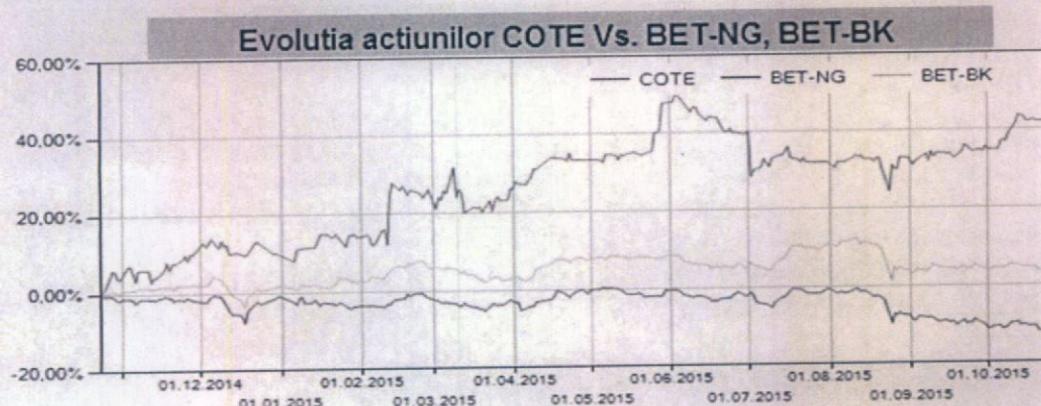
The transport tariff represents the counter value of the service for the transport of one ton of crude, rich gas or ethane between the take-over sites and handover thereof to the refineries. The instructions regarding the criteria, the methodology and the procedure of settling the tariffs regulated for the transport through the National Pipeline Transport System are being elaborated by NAMR, as competent authority, based on the attributions and competences conferred by Law no.238/2004, subsequent amendments and additions.

The transport tariffs are being distinctly substantiated and approved by NAMR for the two subsystems belonging to the National Transport System, respectively the subsystem for the transport of domestic crude oil, condensate, rich gas and ethane and the subsystem for the transport of imported crude oil. According to the technical features and operation regime of each subsystem, the tariffs determination is being performed by allocation of the value related to transport service to the crude oil quantities carried for beneficiaries on the corresponding distances, using the cost-plus gross profit margin methodology. The costs included in the transport tariffs are made up of:

- operating cost, including: materials expenses, personnel expenses, pipelines maintenance expenses, outside expenses with gas, energy and water, costs related to fixed assets depreciation, royalty and other fees incurred by the carrier, expenses related to pipelines security guard, the amounts due to the lands owners, other expenses;
- development and modernization quota;
- profit margin.

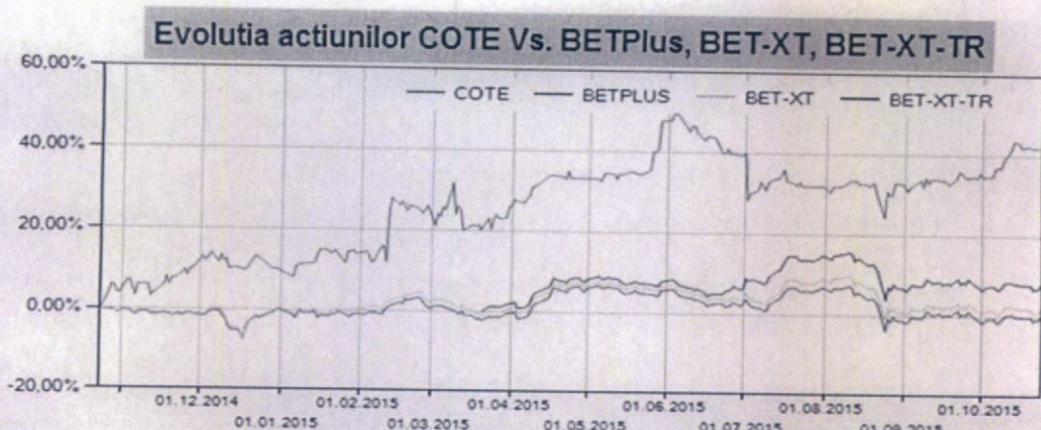
*Stock Indices*

CONPET S.A. is included in 5 BSE indices, out of a total of 9, namely: BET Plus, BET-NG, BET-BK, BET-XT and BET-XT-TR.



**The Evolution of COTE Shares Vs BET-NG, BET\_BK**





**The evolution of COTE shares Vs. BETPlus, BET-XT, BET-XT-TR**

At 30.09. 2015, CONPET S.A. had a market capitalization of approximately 587 million RON, ranking 17 in „Top 100 issuers following capitalization”.

**2. Draw up Basis**

**(a) Declaration of Compliance**

These individual financial statements of the Company were prepared pursuant to the International Financial Reporting Standards (Rom. „IFRS”) adopted by the European Union and approved by Order of the Ministry of Public Finance no.1286/2012, subsequent amendments, applicable to the commercial companies whose securities are admitted to trading on a regulated market.

IFRS Standards represent the standards adopted according to the procedure provided by (CE) Rules no.1.606/2002 of the European Parliament and the Council from July 19,2002 regarding the application of the International Accounting Standards and include standards and interpretations approved by the International Accounting Standards Board („IASB”), International Accounting Standards („IAS”) and interpretations issued by the International Financial Reporting Interpretations Committee („IFRIC”).

**(b) Accounting Estimates and Professional Reasoning**

The preparation of the financial statements pursuant to the International Financial Reporting Standards („IFRS”) implies the use, by the Company's management, of estimates, professional reasoning and hypotheses affecting the application of the accounting policies, as well as the reported value of the assets, liabilities, income and expenditures. The estimates and hypotheses associated to these estimates are based on the historical experience, as well as on other factors considered reasonable given these estimates. The results of these estimates set the grounds for the professional reasoning regarding the accounting value of the assets and liabilities that cannot be obtained from other information sources. The actual results may be different from the estimates values.

The professional reasonings and the hypotheses they ground on are being periodically revised by the Company. The revisions of the accounting estimates are recognized in the period when the estimates are being revised, if the revisions affect exclusively that period, or in the period the estimates are being revised and the future periods if the revisions affect both the current period, as well as the future periods.



CONPET S.A.

**NOTES TO THE PERIOD OF 9 MONTHS ENDED SEPTEMBER 30, 2015**

*(All amounts are expressed in RON, if not otherwise specified)*

**(3) Relevant Accounting Policies**

The accounting policies applied to these simplified financial statements are the same with the ones applied for the Company's annual financial statements, for the financial year ended December 31, 2014.



#### 4. Tangible Assets

During the period of 9 months ended September 30, 2015 the tangible assets have evolved as such:

Explanations	Lands and Lands improvements	Buildings and special installations	Oil operating products	Equipment and Facilities	Measuring and Control Instruments	Vehicles	Other tangible Assets	Ongoing tangible Assets	Total tangible Assets
<b>Gross book value at January 1, 2015</b>	22,474,438	226,973,816	42,865,714	58,400,083	51,353,896	22,012,765	3,549,930	18,946,663	446,577,304
Aggregate depreciation at January 1, 2015	-	-	-	(11,714,183)	(11,016,900)	(5,623,604)	(689,995)	-	(29,044,682)
Impairments for tangible assets	(470,621)	(48,805)	-	-	-	-	-	(1,519,736)	(2,039,161)
Depreciation									
<b>Net book value at January 1, 2015</b>	22,003,817	226,925,011	42,865,714	46,685,900	40,336,996	16,389,161	2,859,934	17,426,928	415,493,461
Inputs	-	13,626,649	-	5,808,870	5,387,507	2,206,077	1,367,124	23,317,694	51,713,922
Transfers from ongoing tangible assets	-	-	-	-	-	-	-	(28,355,271)	(28,355,271)
Outputs	-	(218,890)	-	(4,463,321)	(86,887)	(171,232)	(948)	(79,587)	(5,020,865)
Aggregate Depreciation	-	(14,882,456)	-	(4,417,540)	(7,750,011)	(3,932,508)	(568,484)	-	(31,550,999)
<b>Final net book value at September 30, 2015</b>	22,003,817	225,450,314	42,865,714	43,613,908	37,887,605	14,491,499	3,657,627	12,309,765	402,280,248
<b>Net book value at January 1, 2015</b>	22,003,817	226,925,011	42,865,714	46,685,900	40,336,996	16,389,161	2,859,934	17,426,927	415,493,461
<b>Final net book values at September 30, 2015</b>	22,003,817	225,450,314	42,865,714	43,613,908	37,887,605	14,491,499	3,657,627	12,309,765	402,280,248
<b>Difference</b>	-	(1,474,697)	-	(3,071,992)	(2,449,391)	(1,897,663)	797,693	(5,117,163)	(13,213,213)



The decrease of the tangible assets net value at September 30, 2015 by the amount of 13,213,213 RON, as compared to December 31, 2014 has been determined mainly by the registration of the depreciation thereof.

In the tangible assets structures are included, besides the oil operating product, the investments performed for the operator's domain, as well as the investments performed for the Public domain, as per the provisions of "The Oil Concession Agreement for the operation of the Crude Oil, Rich Gas, Condensate and Ethane National Transport System", including the major pipelines and installations, equipment and related facilities. At the end of the concession they fall under the goods return regime.

The oil operating product is being evaluated in the balance sheet at the cost determined from the revaluation performed as per GD no.26 from January 22, 1992, here included the effects of the restatements registered in the previous years, pursuant to the application of IAS 29 "Financial Reporting in the Hyperinflationary Economies. The current situation can be noticed in the table below:

	September 30, 2015	December 31, 2014
<b>Balance of the Oil Operating Product</b>	<b>42,865,714</b>	<b>42,865,714</b>

The oil operating product has no useful life, as it physically renews at each pumping process, that's why it doesn't bear a qualitative or moral degradation, thus it is not being depreciated.

## 5. Non-Tangible Assets

Explanations	Licenses and Soft	Other Intangible Assets	Intangible assets in progress	Total intangible assets
<b>Gross book value at January 1, 2015</b>	<b>2,404,995</b>	3,041,006	-	5,446,001
Aggregate depreciation at January 1, 2015	(1,021,038)	(1,262,659)	-	(2,283,697)
<b>Net book value at January 1, 2015</b>	<b>1,383,957</b>	1,778,347	-	3,162,304
Inputs	337,720	-	108,149	445,869
Transfers from intangible assets in progress	-	-	(3,720)	(3,720)
Aggregate depreciation	(665,516)	(630,101)	-	(1,295,616)
<b>Net book value at September 30, 2015</b>	<b>1,056,161</b>	1,148,246	104,429	2,308,836
<b>Net book value at January 1, 2015</b>	<b>1,383,957</b>	1,778,347	-	3,162,304
<b>Net book value at September 30, 2015</b>	<b>1,056,161</b>	1,148,246	104,429	2,308,836
<b>Difference</b>	<b>(327,796)</b>	(630,101)	104,429	(853,469)

The life span used when calculating the depreciation of the intangible assets is on average 3-4 years. The depreciation method used is the linear one. The intangible assets in balance at September 30 are being constituted from IT programs, softs licenses, the book logging being performed at the fair cost. The research and development expenses, as well as the set-up expenses are not being capitalized.



### Revaluation Reserves

At September 30, 2015 the revaluation reserves amount for 96,500,976 RON, 11,145,200 RON lower than the reserves in balance at December 31, 2014, representing surplus achieved out of revaluation reserves, which has been capitalized by transfer to retained earnings to the extent of its use and on the deregister of several assets.

### 6. Capital Assets

Explanations	Other fixed Assets	Long-term Receivables	Total capital Assets
<b>Gross book value at January 1, 2015</b>	<b>177,400</b>	<b>400,941</b>	<b>578,341</b>
Impairments for the depreciation of the capital assets	(50,826)	-	(50,826)
<b>Net book value at January 1, 2015</b>	<b>126,574</b>	<b>400,941</b>	<b>527,515</b>
Inputs	-	158,018	158,018
Outputs	-	(257,511)	(257,511)
<b>Net book value at September 30, 2015</b>	<b>126,574</b>	<b>301,448</b>	<b>428,022</b>

At the end of the reporting period the company holds shares at PEOP – Project Development Company PLC, a project development company regarding the construction of a major pipeline between Constanta and Trieste. The participation rate held by CONPET out of the subscribed share capital, at September 30, 2015 is of 16.6% (35,000 GBP).

On 02.09.2014, CONPET's Extraordinary General Meeting of Shareholders approved the empowerment of the management to adopt the necessary measures provided by the applicable international legislation on PEOP-PDC liquidation.

Also, the Company holds equity interests at Registrul Independent Monitor, in amount of 5,000 RON.

As regards long-term receivables, the company has registered several bonds posted to third-parties.

### 7. Inventories

	September 30, 2015	December 31, 2014
Raw materials and consumables	9,467,028	9,394,715
Goods	281	-
Write-downs for depreciation: depreciated and slow moving inventories	(1,329,723)	(1,685,411)
<b>TOTAL</b>	<b>8,137,586</b>	<b>7,709,304</b>

Inside the inventories the weight goes to the security and intervention inventory, in amount of 4,129,111 RON (43,62%) meant for the potential technical breakdowns provoked or due to natural disasters.

The inventories for which was approved the scrapping documentation, which were not deregistered from the accounting records at September 30, 2015, amount for 441,710 RON (4,67%). The rest of the inventories stand for raw materials, materials, spare parts and other materials that are to be used in the pursuit of the company's core business.



## 8. Trade Receivables and Other Receivables

The comparative situation of the receivables for the reporting period, according to seniority and receivables type, looks as follows:

	September 30, 2015	December 31, 2014
Clients	37,048,351	31,387,166
Write-downs for receivables depreciation	(647,884)	(647,884)
Other trade receivables	161,153	1,404
<b>Subtotal Trade Receivables (net value)</b>	<b>36,561,620</b>	<b>30,740,686</b>
Other receivables	8,070,919	7,361,661
Write-downs for the depreciation of other receivables	(3,082,599)	(3,290,237)
<b>Subtotal other receivables (net value)</b>	<b>4,988,320</b>	<b>4,071,423</b>
<b>Paid advances</b>	<b>1,277</b>	<b>48</b>
<b>Total short-term receivables</b>	<b>41,551,217</b>	<b>34,812,158</b>
 Other long-term receivables	 301,449	 400,942

The clients structure on activities looks as follows:

	September 30, 2015	December 31, 2014
Clients – transport activity	35,983,805	30,276,781
Other clients – auxiliary activities	1,064,546	1,110,385
<b>Total</b>	<b>37,048,351</b>	<b>31,387,166</b>

The trade receivables are not interest bearer and have a turnover ratio of 33 days. The main clients holding a significant share (99%) in the turnover at 30.09.2015 are: S.C. OMV PETROM S.A., S.C. Petrotel Lukoil S.a., S.C. Rompetrol Rafinare S.A.. The main client of the company, OMV PETROM SA holds over 73% of the overall short-term receivables at September 30,2015.

Other receivables amounting 8,070,919 RON mainly include amounts receivable from various natural and legal persons with litigations pending before the courts of law, as well as the dividends passed on to the Central Depository as per the legal provisions and payable to CONPET shareholders ( 5,211,117 RON, respectively 64.57% of the total), non-exigible VAT for unarrived invoices (602,253 RON, respectively 7.47%), as well as holiday deductions and indemnities receivable from the national insurance fund (778,400 Lei, respectively 9.65%).



#### *Write-downs for doubtful receivables and other doubtful receivables*

At 30 September, 2015 the level of *write-downs settled for the depreciation of the trade receivables* rested unamended as compared 31.12.2014, respectively in amount of 647,884 Lei, as, on the one hand, there were not registered voluntary payments from the debtors, and, on the other hand the litigations are still pending before the law courts.

The amount of the above-mentioned is composed of:

- Biodiesel SRL Comanesti 204,661 RON;
- Nac Industrii SRL Bucuresti 340,938 RON;
- CTF Bucuresti 50,512 RON;
- ICIM SA Ploiesti 33,598 RON ;
- Other clients 18,175 RON.

*The write-downs for the depreciation of other receivables* (several debts related to the legal files pending before the law court, tax liabilities and fines paid and facing grievance procedure) are, at 30.09.2015 in amount of 3,082,599 RON, registering an insignificant reduction as compared to 31.12.2014 (3,290,237 RON), respectively 207,638 RON, following the partial collection of the debit due by Monodrama company and registration on costs of several challenged environmental fines lied on CONPET by the courts of jurisdiction.

The Company's policy is to register a write-down related to a loss of value of 100% for the clients facing litigation, insolvency, bankruptcy and for other debts related to the constituted legal files or fines facing appeals procedure.

#### **9. Cash and Cash Equivalents**

At September 30, 2015 and December 31, 2014 cash and cash equivalents look as follows:

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Current bank accounts	1,173,930	7,385,575
≤ 3 months maturity bank deposits	104,466,993	327,928,312
>3 months maturity bank deposits	0	7,669,483
Petty cash	23,569	16,252
Current bank accounts	26,719	37,689
<b>Total</b>	<b>105,691,211</b>	<b>343,037,311</b>

#### **10. Short-Term Investments**

The short-term financial investments are assets held by the company in view of reaching profit in less than one year. They comprise government securities as treasury bills and government bonds.

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Government securities (treasury bills and government bonds)	255,228,993	-
<b>Total</b>	<b>255,228,993</b>	<b>-</b>



The short-term investment at September 30, 2015 comprise also the interest receivable related to the purchased government bonds.

The company manages a quota related to modernization and related expenses meant for the financial support of the rehabilitation and modernization of the Crude Oil Pipeline National Transport System, which it collects in distinct cash accounts and uses for the payment of the modernization works to the assets belonging to public domain, in view of creating new assets that are to be transferred to the public domain after the entire depreciation thereof.

Thus, at 30.09.2015 the cash related to the modernization quota amount for 160,481,251 RON.

## **11. Equities**

Along the reporting period, the company's share capital rested unamended, remaining at the value of 28,569,842 RON and being divided in 8,657,528 ordinary shares with a nominal value of 3.3 RON/share and corresponds to the one registered at the Trade Register Office. In the share capital are not included the lands covering 554,537.62 sqm related to a number of 47 Land Ownership Certificates obtained during 2001 – 2005, which have been evaluated as per GD 834/1992 *regarding the settlement and assessment of certain fields held by the State owned trade companies* at the amount of 26,255,918 RON that has been booked in the **reserves** accounts, without amending the share capital.

Subsequently, based on the revaluations performed in 2005, 2008, 2011, 2013 and 2014 the revaluation differences were registered, as per the accounting regulations related to revaluation, based on capital accounts (reserves) or the global result.

At 30.09.2015 is maintained the value of the reserves underlined in the capital accounts at 31.12.2014, respectively 21,665,264 RON and the fair value of lands registered based on revaluation amounts for 11,858,571 RON, resulting a surplus outstanding in the capital accounts (reserves) in amount of 9,806,693 RON.

Within the Extraordinary General Meeting of Shareholders dated 10.06.2015 was approved the initiation of the procedure to increase the share capital of CONPET S.A. by the value of the 47 lands for which have been obtained Land Ownership Certificates, as well as for the formulation of a request to the Trade Register Office attached to Prahova Law Court for the appointment of an expert appraisal, under the provisions of Articles 38 and 39 of the Law 31/1990 regarding the companies, republished, further amendments and additions, to draft the report appraisal of the equity in kind represented by the 47 lands.

In order to fulfill the GMS Resolution, the company has submitted to the Trade Register „Office the request for the appointment of the expert appraiser who is supposed to set out the value of goods in view of augmenting the share capital.

CONPET SA concluded, with the appraiser appointed by the Trade Register Offide, in September, the services supply contract regarding the appraisal of lands in view of augmenting the share capital, the delivery date being October 2015.

The shareholding structure in nominal values, as per the data submitted by the Central Depository (Rom. Depozitarul Central) is the following:



Shareholders	September 30, 2015			December 31, 2014		
	No. of Shares	Amount (RON)	(%)	No. of Shares	Amount (RON)	(%)
The Romanian State	5,083,372	16,775,128	58,72%	5,083,372	16,775,128	58,72%
Other shareholders – natural and legal persons	3,574,156	11,794,714	41,28%	3,574,156	11,794,714	41,28%
<b>Total</b>	<b>8,657,528</b>	<b>28,569,842</b>	<b>100,00%</b>	<b>8,657,528</b>	<b>28,569,842</b>	<b>100,00%</b>

#### *Other Reserves*

At September 30, 2015, *Other Reserves* amount for 495,653,492 RON (472,512,205 RON at December 31, 2014), and are made up of:

- 391,885,571 RON (368,744,285 RON at December 31, 2014) – the modernization quota, calculates and collected as per the GD provisions 168/1998;
- 19,060,265 RON (19,060,265 RON at December 31, 2014) – reserve related to lands for which are obtained Land Ownership Certificates and the share capital was not augmented;
- 81,468,379 RON (81,468,379 RON at December 31, 2014) – reserve related to profit allocation;
  - 3,239,277 RON (3,239,277 RON at December 31, 2014) – other reserves coming mainly by the hand-over, by NAMR, of the public patrimony to the Company.

#### *Revaluation Reserves*

At September 30, 2015 the revaluation reserves amount for 96,500,976 RON, 11,145,200 RON lower than the reserves on the balance sheet at December 31, 2014, representing surplus realized out of revaluation reserves, which has been capitalized by the transfer in the retained earnings, in relation to the use thereof and on assets deregistration.

#### *Retained Earnings*

The retained earnings in amount of 70,585,883 RON is constituted from:

- 10,273,023 RON retained Earnings resulting from the correction of the accounting errors
- 4,000,546 RON retained Earnings resulting from the application of IFRS, less IAS29
- 56,312,314 RON, retained Earnings representing surplus achieved from revaluation reserves;

#### *Year's Result*

The profit for the year is of 52,010,301 RON at September 30, 2015, 8,46% higher yoy.

#### **12. Deferred Income**

The deferred income has increased by the amount of 349,055 RON, as compared to the beginning of the reporting period, namely from 980,138 RON as it was registered at the beginning of the year, up to 1,329,193 RON at September 30, 2015, sold made up of:

- 1,310,269 RON (958,088 RON at December 31, 2014), representing excess inventory fixed assets and subsidy obtained for the purchase of 20 means of transport by way of „Rabla 2015” program;
- 18,924 RON (22,050 RON at December 31, 2014), representing deferred interest income related to home rates sold to the employees.



### **13.Obligations Regarding Employees Benefits and Bonuses. Wage System**

Pursuant to the provisions of the Collective Labour Agreement in force, the company has granted the following benefits to its employees: quarterly premiums, retirement support, marriage support, employees share of profit, other benefits, as well as the following bonuses: holiday and treatment vouchers, including the related transport, presents given to the women employees and the employees' minor children, birth grant, funeral and serious diseases, humanitarian grants, lunch vouchers, other bonuses.

The amounts paid standing for the employees benefits during a 9 months period are the followings:

	<b>January 1 – September 30, 2015</b>	<b>January 1 – September 30, 2014</b>
Quarterly premiums	551,149	399,921
Retirement support	138,474	219,075
Marriage indemnities	49,455	34,925
Employees share of profit	4,339,680	2,716,986
Company's contribution to the facultative retirement schemes	2,343,630	-
Other benefits	113,605	17,160
<b>TOTAL</b>	<b>7,535,993</b>	<b>3,388,067</b>

The employees bonuses are the followings:

	<b>January 1 – September 30, 2015</b>	<b>January 1 – September 30, 2014</b>
Holiday and treatment vouchers and the related transport	639,336	596,252
Presents given to women employees and the employees minor children	43,650	117,525
Birth grant, funeral, serious diseases, humanitarian	473,226	389,464
Lunch vouchers	2,666,012	2,622,834
Other bonuses	65,559	62,597
<b>TOTAL</b>	<b>3,887,783</b>	<b>3,788,672</b>

### **Remuneration**

#### **The General Director and the Members of the Board of Administration**

The salaries paid by the Company to the General Director and the members of the Board of Administration are detailed below:

	<b>January 1 – September 30, 2015</b>	<b>January 1 – September 30, 2014</b>
Indemnity related to the contract of mandate	758,198	389,589
Indemnities of the Board of Administration members	709,968	333,768
<b>TOTAL</b>	<b>1,468,166</b>	<b>723,357</b>



## Employees

The average number of employees has evolved as follows:

	September 30, 2015	September 30, 2014
Management staff	84	83
Administrative staff	443	435
Production staff	1,172	1,197
<b>Total</b>	<b>1,699</b>	<b>1,715</b>

The salaries expenses and related contributions registered during January 1 – September 30, 2015, respectively 2014 are the followings:

	January 1 – September 30, 2015	January 1 – September 30, 2014
Salary expenses	52,638,428	49,450,370
Social security expenses	13,507,764	14,896,573
<b>Total</b>	<b>66,146,192</b>	<b>64,346,943</b>

Note: The line "Salary expenses" does not include the employees benefits and bonuses, nor the indemnities of the General Director and the Board of Administration members.

## 14. Trade Liabilities and Other Liabilities

At December 31, 2014 and September 30, 2015 the trade liabilities and other liabilities reveal the followings:

Liabilities	December 31, 2014	September 30, 2015	Balance Maturity Date at September 30, 2015		
			Under 1 year	1-5 years	Over 5 years
Amounts due to credit institutions	-	-	-	-	-
Received advances	-	-	-	-	-
Trade liabilities	30,032,321	20,746,138	20,746,138	-	-
<b>Total trade liabilities</b>	<b>30,032,321</b>	<b>20,746,138</b>	<b>20,746,138</b>	-	-
Other liabilities, including fiscal debts and the liabilities regarding social securities	25,892,982	29,877,822	27,985,848	1,891,974	-
<b>Total</b>	<b>55,925,304</b>	<b>50,623,960</b>	<b>48,731,987</b>	<b>1,891,974</b>	-



The Company's suppliers related to the performance of the operation activity are being mainly represented by: SNTFM CFR Marfa, OMV Petrom S.A., Edenred Romania S.R.L., FDEE Electrica AFEE Ploiesti, Premier Energy S.R.L., Electrica Furnizare, Envirotech, GDF Energy, Tinmar Ind. S.A., Prodial Tour etc. During 01.01.2015 – 30.09.2015, the share thereof in total operation suppliers is of 84.89 %.

In case of fixed assets suppliers the share of 86.20% in total fixed assets suppliers in the first three quarters of the year 2015 is being held by the following suppliers: Talpac, Gazpet Instal, IPM Partners, Syscom 18 SRL, ABB z.o.o., Philro Industrial, Maguay Computer, Renault, RCA Retele Telecomunicatii, Swiso Electric, Felix Telecom, Tangible, Prodrep MG, Service Faur, Eurosting AAW Industry, Corrocont, Drilling Swiss etc. (respectively).

The situation of the personnel-related debts, the fiscal debts and other maturity date debts looks as follows:

Liabilities	December 31, September 30,		Balance Maturity Date at September 30, 2015		
	2014	2015	Under 1 year	1-5 years	Over 5 years
Salaries and assimilated liabilities	3,481,478	3,360,456	3,360,456		
Contributions	3,341,934	2,928,247	2,928,247		
Income tax	4,665,944	5,791,982	3,900,008	1,891,974	
Oil royalty due to State Budget	7,123,636	7,450,201	7,450,201		
VAT payable	4,212,128	4,920,743	4,920,743		
Other taxes and liabilities - State Budget	1,024,266	1,392,247	1,392,247		
Dividends payable	1,647,712	3,751,322	3,751,322		
Other liabilities	395,884	282,624	282,624		
<b>Total</b>	<b>25,892,982</b>	<b>29,877,822</b>	<b>27,985,848</b>	<b>1,891,974</b>	<b>-</b>

As compared to the end of 2014, at the chapter "other liabilities" was registered a material increase at the following positions

- "Income Tax", increase justified by the augmentation of the gross profit by 7% as compared to the end of the previous year;
- "Dividends payable", increase justified, on the one hand, by the fact that the value of the gross dividend per share relatec to 2014 (5.9409792 RON) has increased as compared to the one related to 2013 (3.4118676832 RON), and, on the other hand, by the GMs Resolution to allocate the dividends out of the net profit, in proportion of 91% in 2014, as compared to 85% in 2013.

## 15. Provisions

	September 30, 2015	December 31, 2014
Provisions for litigations	8,324,366	8,937,366
Provisions for employees benefits	4,115,327	11,298,203
Other provisions for risks and expenses	4,389,509	4,389,509



**Balance at the end of the period, of which:**

	<b>16,829,202</b>	<b>24,625,078</b>
<i>Long-term provisions</i>	<b>3,639,247</b>	<b>3,772,056</b>
<i>Short-term provisions</i>	<b>13,189,955</b>	<b>20,853,022</b>

The provisions for litigations have been settled following the Company's involvement in several litigations for compensations claimed by various owners, legal and natural persons. Besides compensations they require both the payment of an annual income following the Company's exercising the legal easement on the plaintiffs' lands, or the decommissioning of the pipelines and installations situated on their lands.

Following the restitution of their land rights the owners brought the Company to trial, invoking the lands lack of use as they are being crossed by the crude oil transport pipelines belonging to the public domain.

The provisions for litigations have decreased by the amount of 613,000 RON, by the write-back of the provision set for the litigation in file no. 1269/105/2014. In this file the CONPET SA was sued by the former General Director, Tudora Dorin, by the application formulated requesting the payment of several salary benefits, following the termination of his mandate contract before the due term. By Civil Decision no. 746/2015, the Prahova Law Court – the Division II of Civil Court, on Contentious and Fiscal matters, notes the motion to withdraw the civil action having as scope the claims formulated by the plaintiff Tudora Dorin.

***Provisions for employees benefits***

The company comprises, at this chapter, the retirement provision in amount of 3,822,207 RON and a provision for non-taken annual leaves, in amount of 293,120 RON.

The balance decrease of these provisions, by the amount of 7,182,976 ron, at 30.09.2015 was mainly due to the annulment of the provision for the share of profit constituted at 31.12.2014, in amount of 5,335,168 ron, which has been recognized as income following the payment of this obligation in June 2015.

***Other provisions***

At September 30, 2015 balance position « other provisions » in amount of 4,389,509 RON is constituted from:

- 2,409,317 RON provisions regarding the environment-related expenses; and
- 1,980,192 RON provisions regarding expenses related to the demolition of an asset (Breaza Cardiovascular Recovery Facility, for which there is the OGMS Resolution no.1/14.03.2013).

**16. The Income Tax**

The income tax related expense for the period of 9 months ended September 30, 2015, as compared to the same period of the previous year.

Expense related to current income tax  
**Expense related to income tax**

	<b>January 1 – September 30 2015</b>	<b>January 1 – September 30 2014</b>
	10,505,769	10,259,314
	<b>10,505,769</b>	<b>10,259,314</b>



	January 1 – September 30 2015	January 1 – September 30 2014
<b>Profit before taxation</b>	<b>62,516,070</b>	<b>58,213,065</b>
Tax in compliance with the 16% statutory tax rate	10,002,571	9,314,090
<b>Effect on the income tax of the:</b>		
-Non-deductible expenses	243,754	254,049
-Non-taxable income	(1,337,472)	(838,422)
-Elements similar to revenues	1,783,019	1,877,231
-Elements similar to expenses	(1,849)	(2,114)
-Exemptions for sponsorship	(184,254)	(345,520)
<b>Income tax</b>	<b>10,505,769</b>	<b>10,259,314</b>

The deferred tax is recognized in correlation with the basic element in the global result statement or directly in the shareholders equities. At September 30, 2015, the deferred tax liability, recognized on account of shareholders equities is of 1,891,974 RON.

### 17. Venituri din exploatare

	January 1 – September 30 2015	January 1 – September 30 2014
<b>Sales revenues, of which :</b>		
Transport revenues	285,663,818	281,950,441
- <i>domestic transport subsystem</i>	283,792,930	280,526,687
- <i>import transport subsystem</i>	232,554,396	237,169,485
Rental revenues	51,238,534	43,357,203
Revenues from other sales and services supply	1,147,524	858,698
	723,364	565,056
<b>Other income, of which:</b>	<b>22,791,546</b>	<b>20,359,348</b>
Revenues from modernization quota consumption	21,549,025	18,897,032
Revenues from enforcement of guarantees	0	11,296
Revenues from assets sale	401,209	761,363
Revenues related to inventory surplus of assets nature	118,582	62,629
Other revenues	722,730	627,028
<b>Total operating revenues</b>	<b>308,455,364</b>	<b>302,309,789</b>

#### *Transport Revenues*

The revenues achieved from the transport of crude oil, rich gas, condensate and ethane through the National Transport System were determined based on the quantity of crude oil, rich gas and condensate carried to the clients and the tariffs approved by Order of the President of the National Agency for Mineral Resources.



The transport tariff is being differentiated on the two transport subsystems, domestic and import subsystems. The tariffs approved by the National Agency for Mineral Resources for the supply of the domestic crude oil, rich gas and condensate transport system, related to period 2013-2014 reveal the followings:

Average tariff for the transport on the country subsystem

-RON/ton-

Order no.199/2013 for the period 11.12.2013 - to date

78.64

The tariffs related to imported crude oil transport have been amended starting February, as per NAMR Order no.12/2015. The tariffs are being applied on refineries, on transported quantities intervals, being applied the tariff bracket system.

**18. Other Operating Expenses**

In the table below are being detailed other operating expenses, according to their nature:

	January 1 – September 30, 2015	January 1 – September 30, 2014
Raw materials and consumables expenses	12,976,990	13,381,060
Personnel expenses	79,038,134	72,247,039
Outside services expenses	81,197,207	88,687,284
Other expenses	49,326,557	46,874,047

a) *Raw materials and consumables expenses*

	January 1 – September 30, 2015	January 1 – September 30, 2014
Consumables expenses	4,011,380	4,961,416
Other material expenses	1,553,043	825,741
Other energy and water expenses	7,422,008	7,938,941
Goods related expenses	4,983	0
Commercial reduction	(14,424)	(345,038)
<b>Total</b>	<b>12,976,990</b>	<b>13,381,060</b>

a) *Personnel Expenses*

Personnel expenses	January 1 – September 30, 2015	January 1 – September 30, 2014
Salaries expenses	54,933,882	50,844,808
Expenses with granted food vouchers	2,666,012	2,622,834



Expenses with advantages in kind granted to the shareholders	25,395	-
Expenses related to the share of profit	4,339,680	2,716,986
Unit's contribution to facultative retirement schemes	2,343,630	-
Social protection expenses as per Collective Labour Agreement	1,221,771	1,165,838
Social insurance expenses	13,507,764	14,896,573
<b>Total</b>	<b>79,038,134</b>	<b>72,247,039</b>

a) The outside services expenses include:

	January 1 – September 30, 2015	January 1 – September 30, 2014
Repairs and maintenance expenses	1,948,866	1,930,675
Royalties, commercial leasing and rental expenses	22,830,670	22,364,694
Insurance premiums expenses	281,946	303,317
Expenses related to commissions and fees	272,240	244,717
Ceremonial, advertising and publicity expenses	218,622	212,483
Expenses related to goods transport and personnel	487,920	325,997
Travel expenses	738,077	494,735
Postal expenses and telecommunication charges	307,175	338,418
Bank services expenses and assimilated	29,020	25,544
Other expenses with third-parties services performance	54,082,671	62,446,704
<b>Total</b>	<b>81,197,207</b>	<b>88,687,284</b>

The royalties, commercial leasing and rental expenses include the oil royalty, calculated according to EGO 101/ 14 October, 2007 by application of a share of 10% of the gross income value achieved from oil transport and transit operations through the Oil National Transport System.

Other third-parties expenses include the expenses incurred by the Company for pumping the crude oil through pipelines, for the use of rail system related to transport services and for several environmental protection and decontamination activities.

b) Other expenses include:

	January 1 – September 30, 2015	January 1 – September 30, 2014
Other duties, taxes and similar levies	2,369,890	2,575,643
Compensations, fines and penalties expenses	157,230	30,814
Gifts granted (sponsorship)	184,254	345,520
Disposed assets and other capital transactions	1,558,853	231,529
Environmental protection expenses	63,997	184,755
Expenses related to revaluation of tangible assets	0	0



Expenses related to settlement of the modernization quota	44,690,312	43,357,022
Other operating expenses	302,021	148,764
<b>Total</b>	<b>49,326,557</b>	<b>46,874,047</b>

As for the expenses with other duties, taxes and similar levies the weight is being held by the local duties and taxes.

#### 19. Net Financial Result

	January 1 – September 30, 2015	January 1– September 30, 2014
Interest income	2,639,538	7,233,429
Revenues related to exchange rate differences	5,418	147,562
Other financial revenues	1,898,063	24,005
<b>Total financial revenues</b>	<b>4,543,019</b>	<b>7,404,996</b>
Expenses on interests	-	-
Expenses on exchange rate differences	5,434	239,392
Other financial expenses	3	13,276
<b>Total financial expenses</b>	<b>5,437</b>	<b>252,668</b>
<b>Net Financial result</b>	<b>4,537,582</b>	<b>7,152,328</b>

During 01.01 – 30.09.2015 has been registered a decrease both in the financial revenues, in financial expenses, as compared to the same period of the previous year, the net financial result lowering mainly due to reduction of BNR base rate and implicitly of the interest negotiated for the maturity deposits constituted by the Company.

#### 20. Transactions with State-Owned Companies

The Company performs trades related to its core business, as well as its auxiliary activities and with companies where State holds majority or integral stake.

The value of these transactions is detailed below:

	January 1 – September 30, 2015	January 1– September 30, 2014
Sales	80,483	271,794
Purchases	66,411,746	62,367,342



The balance sheets of the companies where State holds majority or integral stake presented at the end of the reporting periods in the Company's records are presented below:

	January 1 – September 30, 2015	January 1 – September 30, 2014
Trade receivables	7,449	8,652
Trade liabilities	8,444,839	13,169,458

In transactions with State-owned companies, the share of 90% in the procurements value and 99% in the trade liabilities, during 01.01-30.09.2015 is held SNTFM - CFR MARFA SA.

General Director,  
Eng. Ilasi Liviu,

S.s. Illegible

Stamp

Director Economic,  
Econ. Sanda Toader

S.s. Illegible



