



TMK-ARTROM S.A.

Draganesti Str. 30, Slatina, jud. OLT, Romania 230119
 Tel: +40 (249) 436862, 434640, 434641
 Fax: +40 (249) 434330, 437288
 E-mail: office.slatina@tmk-artrom.eu www.tmk-artrom.eu
 J 28/9/1991; VAT No. RO 1510210/1992
 Subscribed and Paid Share Capital: 291.587.538,34 lei

No 102/149 from 13.05.2015

QUARTERLY FINANCIAL STATEMENTS AT 31 MARCH 2015

Statement of financial position at 31 March 2015

| | 31.03.2015 RON | 01.01.2015 RON |
|--|--------------------|--------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 12.217.294 | 29.473.937 |
| Trade and other receivables | 235.587.789 | 203.310.913 |
| Inventories | 127.816.321 | 125.439.860 |
| Prepayments | 108.063.017 | 133.720.091 |
| | <u>483.684.421</u> | <u>491.944.801</u> |
| Non - current assets | | |
| Intangible assets | 170.843 | 141.141 |
| Property, plant and equipment | 456.901.747 | 446.089.606 |
| Financial assets | 283.698 | 288.350 |
| Other non-current assets | 1.091.358 | 11.371.656 |
| | <u>458.447.646</u> | <u>457.890.753</u> |
| Total assets | 942.132.067 | 949.835.554 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 105.977.405 | 80.297.342 |
| Advances from customers | 1.749.828 | 1.940.497 |
| Provisions and accruals | 1.839.532 | 4.476.010 |
| Interest-bearing loans and borrowings ST | 106.751.249 | 106.310.018 |
| Financial leasing | 273.993 | 216.515 |
| Income tax payable | 2.475.163 | 1.386.460 |
| Total current liabilities | <u>219.067.170</u> | <u>194.626.841</u> |
| Non - current liabilities | | |
| Interest-bearing loans and borrowings LT | 189.797.070 | 230.297.552 |
| Financial leasing | 257.748 | 75.453 |
| Deferred tax liability | 38.394.033 | 37.882.900 |
| Provisions and accruals | 429.472 | 429.472 |
| Employee benefits liability | 2.712.337 | 2.661.347 |
| Other long - term liabilities | 42.404 | 12.599 |
| Total Non - Current Liabilities | <u>231.633.064</u> | <u>271.359.323</u> |
| Total liabilities | 450.700.234 | 465.986.164 |
| EQUITY | | |
| Capital and reserves | | |
| Subscribed and paid share capital | 291.587.538 | 291.587.538 |
| Other elements of equity | (1.045.085) | (943.242) |
| Other reserves | 17.159.099 | 17.159.099 |
| Retained earnings | 176.045.994 | 135.428.440 |
| Profit of the year | 7.684.287 | 40.617.555 |
| Total equity | 491.431.833 | 483.849.390 |
| Total liabilities and equity | 942.132.067 | 949.835.554 |

Statement of comprehensive income at 31 March 2015

| | 31.03.2015 RON | 31.03.2014 RON |
|--|-------------------|-------------------|
| Turnover | 255.998.153 | 246.778.427 |
| Sales of goods | 255.884.826 | 246.609.871 |
| Rendering of services | 113.327 | 168.556 |
| Cost of Sales | (218.365.594) | (208.312.092) |
| Gross profit | 37.632.559 | 38.466.335 |
| Selling and distribution expenses | (17.440.623) | (17.423.627) |
| General and administrative expenses | (6.930.242) | (7.486.638) |
| Research and development expenses | (279.562) | (35.583) |
| Other operating expenses | (603.747) | (431.451) |
| Other operating income | 333 | 126.914 |
| Income from operations | 12.378.718 | 13.215.950 |
| Foreign exchange (loss) / gain, net | (1.439.006) | 1.553.426 |
| Finance income | 962 | 1.854 |
| Finance costs | (1.758.393) | (2.316.185) |
| Profit/(Loss) before tax | 9.182.281 | 12.455.045 |
| Income tax | (1.497.994) | (1.865.698) |
| Profit for the year | 7.684.287 | 10.589.347 |
| Other comprehensive income - which can be reclassified to profit or loss | | |
| Net movement on cash flow hedges | - | - |
| Income tax effect | - | - |
| Other comprehensive income - which cannot be reclassified in profit or loss | | |
| Actuarial gains/(losses) | - | - |
| Income tax effect | (101.843) | - |
| | (101.843) | - |
| Other comprehensive income (loss) for the year, net of tax | | |
| Total comprehensive income for the year, net of tax | 7.582.444 | 10.589.347 |
| Average number of shares | 116.170.334 | 116.170.334 |
| Earnings per average number of shares | 0,07 | 0,09 |

Statement of changes in equity at 31 March 2015

| | Issued capital | Other reserves - legal reserves | Other reserves - other than legal reserve | Retained earnings | Other elements of equity - from applying IAS 19 | Total equity |
|---|--------------------|------------------------------------|--|--------------------|---|--------------------|
| | RON | RON | RON | RON | RON | RON |
| For the quarter ended 31 March 2015 | | | | | | |
| As at 1 January 2015 | 291.587.538 | 14.962.653 | 2.196.446 | 176.045.994 | (943.242) | 483.849.389 |
| Profit of the year | - | - | - | 7.684.287 | - | 7.684.287 |
| Other comprehensive income / (loss) for the year, net of tax | - | - | - | - | (101.843) | (101.843) |
| Total comprehensive income | - | - | - | 7.684.287 | (101.843) | 7.582.444 |
| At 31 March 2015 | 291.587.538 | 14.962.653 | 2.196.446 | 183.730.281 | (1.045.085) | 491.431.833 |
| | - | - | - | - | - | - |
| For the quarter ended 31 March 2014 | | | | | | |
| As at 1 January 2014 | 291.587.538 | 12.576.840 | 857.554 | 139.153.146 | (1.373.902) | 442.801.176 |
| Profit of the year | - | - | - | 10.589.347 | - | 10.589.347 |
| Other comprehensive income / (loss) for the year, net of tax | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | 10.589.347 | - | 10.589.347 |
| At 31 March 2014 | 291.587.538 | 12.576.840 | 857.554 | 149.742.493 | (1.373.902) | 453.390.523 |

Statement of cash flows at 31 March 2015

| Indirect method | 1 January - 31 March 2015 RON | 1 January - 31 March 2014 RON |
|---|-------------------------------------|-------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) before tax | 9.182.281 | 12.455.045 |
| Plus / minus adjustments for: | | |
| Depreciation | 8.590.966 | 6.892.895 |
| Registration /(reversal) of provisions | (2.636.478) | (1.464.496) |
| Registration /(reversal) of value adjustment of current assets | 69.887 | (1.141.845) |
| Exchange rate differences | 3.874.322 | (1.287.860) |
| Variation of retirement benefits | 70.812 | 68.129 |
| Result from disposal of non-current assets | 16.497 | 140.718 |
| Interest and related expenses | 1.561.104 | 2.103.550 |
| Plus / minus adjustments for changes in working capital related to operating activities: | | |
| Decrease / (increase) in inventories | (2.461.114) | (22.812.149) |
| Decrease / (increase) in receivables | (5.411.470) | (16.263.120) |
| (Decrease) / increase in payables (except banks) | 20.284.683 | 44.456.074 |
| less: | | |
| Interest and similar expenses | (1.701.437) | (2.085.150) |
| Total inflows / (outflows) from operating activities (a) | 31.440.053 | 21.061.790 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Amount received from disposal of non-current assets | 20.760 | 22.573 |
| Purchase of tangible and intangible assets | (2.869.361) | (4.724.783) |
| Interest received | 962 | 1.854 |
| Total inflows / (outflows) from investing activities (b) | (2.847.639) | (4.700.356) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loans received | - | 103.028.562 |
| Repayment of loans | (45.701.017) | (117.477.904) |
| Repayment of finance leases (amortization) | (148.040) | (210.629) |
| Total inflows / (outflows) from financing activities (c) | (45.849.057) | (14.659.971) |
| Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c) | (17.256.643) | 1.701.463 |
| Cash and cash equivalents at beginning of period | 29.473.937 | 1.667.297 |
| Cash and cash equivalents at end of period | 12.217.294 | 3.368.760 |

Chief Executive Officer,
Eng. Adrian Popescu

Chief Economical and Accountancy Officer,
Ec. Cristiana Vaduva

