

**TMK-ARTROM S.A.**

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 J 28/9/1991; VAT No. RO 1510210/1992
 Subscribed and Paid Share Capital: 291.587.538,34 lei

No 102/122 from 12.05.2016

QUARTERLY FINANCIAL STATEMENTS AT 31 MARCH 2016

Statement of financial position at 31 March 2016

	31.03.2016 RON	01.01.2016 RON
ASSETS		
Current assets		
Cash and cash equivalents	8.159.873	4.078.542
Trade and other receivables	197.290.812	220.564.230
Inventories	144.852.149	132.326.524
Prepayments	91.353.861	100.154.777
	441.656.695	457.124.073
Non-current assets		
Intangible assets	1.666.149	1.519.161
Property, plant and equipment	456.352.538	459.542.424
Financial assets	167.931	50.653
Other non-current assets	10.277.016	9.227.177
	468.463.634	470.339.415
Total assets	910.120.329	927.463.488
LIABILITIES		
Current liabilities		
Trade and other payables	113.851.992	121.764.809
Advances from customers	1.448.597	1.490.850
Provisions and accruals	2.805.562	3.749.275
Interest-bearing loans and borrowings	110.907.881	120.873.604
Finance lease liability	204.459	205.139
Income tax payable	959.555	-
Total current liabilities	230.178.046	248.083.677
Non-current liabilities		
Interest-bearing loans and borrowings	148.636.405	152.192.228
Finance lease liability	138.301	189.847
Deferred tax liability	37.566.726	37.610.607
Provisions and accruals	227.281	227.281
Employee benefits liability	3.004.209	2.927.896
Other long-term liabilities	41.276	45.107
Total Non-current liabilities	189.614.198	193.192.966
Total liabilities	419.792.244	441.276.643
EQUITY		
Capital and reserves		
Share capital, from which:	291.587.538	291.587.538
- Subscribed and paid share capital	291.587.538	291.587.538
Other items of equity	(1.121.251)	(1.102.272)
Legal and other reserves	17.603.476	17.603.476
Retained earnings	178.098.103	175.601.617
Profit of the year	4.160.219	2.496.486
Total equity	490.328.085	486.186.845
Total liabilities and equity	910.120.329	927.463.488

Statement of comprehensive income at 31 March 2016

	31.03.2016 RON	31.03.2015 RON
Turnover	188.930.880	255.998.153
Sales of goods	188.843.116	255.884.826
Rendering of services	87.764	113.327
Cost of sales	(162.877.213)	(218.365.594)
Gross profit	26.053.667	37.632.559
Selling and distribution expenses	(16.093.628)	(17.440.623)
Advertising and promotion expenses	(18.539)	-
General and administrative expenses	(6.893.582)	(6.930.242)
Research and development expenses	(40.806)	(279.562)
Other operating expenses	(825.012)	(603.747)
Other operating income	133.539	333
Income from operations	2.315.639	12.378.718
Foreign exchange (loss) / gain, net	4.342.395	(1.439.006)
Finance income	328	962
Finance costs	(1.490.768)	(1.758.393)
Profit before tax	5.167.594	9.182.281
Income Tax	(1.007.375)	(1.497.994)
Profit for the year	4.160.219	7.684.287
Other comprehensive income - which cannot be reclassified in profit or loss		
Actuarial gains / (losses)	(18.979)	-
Income tax effect	-	(101.843)
Other comprehensive income (loss) for the year, net of tax	(18.979)	(101.843)
Total comprehensive income for the year, net of tax	4.141.240	7.582.444
Average number of shares	116.170.334	116.170.334
Earnings per share	0,04	0,07

Statement of changes in equity at 31 March 2015

	Share capital	Legal reserves	Other reserves	Retained earnings	Other elements of equity - from applying IAS 19	Total equity
	RON	RON	RON	RON	RON	RON
For year ended as at 31 March 2016						
As at 1 January 2016	291.587.538	15.122.069	2.481.407	178.098.103	(1.102.272)	486.186.845
Profit of the year	-	-	-	4.160.219	-	4.160.219
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	(18.979)	(18.979)
Total comprehensive income	-	-	-	4.160.219	(18.979)	4.141.240
At 31 March 2016	291.587.538	15.122.069	2.481.407	182.258.322	(1.121.251)	490.328.085
For year ended as at 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

Statement of cash flows at 31 March 2016

Indirect method	Note	1 January - 31 March 2016 RON	1 January - 31 March 2015 RON
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		5.167.594	9.182.281
Plus / minus adjustments for:			
Depreciation	14, 15	10.113.232	8.590.966
Increase / (reversal) of provisions	26	(943.713)	(2.636.478)
Increase / (reversal) of allowances for current assets	18, 19	722.612	69.887
Exchange rate differences for financing activities		(5.960.780)	5.777.151
Variation of retirement benefits	23	75.550	70.812
Result from disposal of non-current assets	11.2	689.464	16.497
Interest and related expenses	11.3, 11.4	1.312.792	1.561.104
Plus / minus adjustments for changes in working capital related to operating activities:			
Decrease / (increase) in inventories	18	(12.435.096)	(2.461.114)
Decrease / (increase) in trade and other receivables and prepayments	19	30.990.057	(6.600.384)
(Decrease) / increase in payables (except banks)	24	(7.780.275)	19.570.768
less:			
Interest paid		(1.330.306)	(1.701.437)
Total inflows / (outflows) from operating activities (a)		20.621.131	31.440.053
CASH FLOWS FROM INVESTING ACTIVITIES			
Amount received from disposal of non-current assets		6.024	20.760
Purchase of tangible and intangible assets	14	(8.950.346)	(2.869.361)
Interest received	11.4	328	962
Total inflows / (outflows) from investing activities (b)		(8.943.994)	(2.847.639)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(7.547.628)	(45.701.017)
Repayment of finance leases (amortisation)		(48.178)	(148.040)
Total inflows / (outflows) from financing activities (c)		(7.595.806)	(75.105.052)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		4.081.331	(17.256.643)
Cash and cash equivalents at beginning of period	21	4.078.542	29.473.937
Cash and cash equivalents at end of period	21	8.159.873	12.217.294

Chief Executive Officer,
Eng. Adrian Popescu

Chief Economical and Accountancy Officer,
Ec. Cristiana Vaduva