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

ARTROM

TMK-ARTROM S.A.

№ 102/242 from 11.05.2017

QUARTERLY FINANCIAL STATEMENTS AT 31 MARCH 2017

Statement of financial position at 31 March 2017

	Nota	31.03.2017 *RON*	01.01.2017 *RON*
ASSETS			
Current assets			
Cash and cash equivalents	21	7.776.610	16.771.796
Trade and other receivables	19	215.179.129	213.734.145
Inventories	18	184.547.495	158.437.553
Prepayments	20	88.095.103	101.740.816
		495.598.337	**490.684.310**
Non-current assets			
Intangible assets	15	2.127.232	2.199.489
Property, plant and equipment	14	540.729.208	495.204.358
Financial assets	16.1.	1.210.366	1.207.715
Other non-current assets	17	9.016.877	14.145.049
		553.083.683	**512.756.611**
Total assets		**1.048.682.020**	**1.003.440.921**
LIABILITIES			
Current liabilities			
Trade and other payables	24	178.159.907	177.652.799
Advances from customers	24	2.494.000	2.096.244
Provisions and accruals	26	1.869.117	2.899.042
Interest-bearing loans and borrowings	16.2.	198.814.505	196.239.070
Finance lease liability	16.2.	130.779	168.979
Income tax payable	24	1.375.596	-
Total current liabilities		**382.843.904**	**379.056.134**
Non-current liabilities			
Interest-bearing loans and borrowings	16.2.	131.495.638	96.877.164
Finance lease liability	16.2.	19.577	31.096
Deferred tax liability	12	36.058.355	36.445.082
Provisions and accruals	26	227.281	227.281
Employee benefits liability	23	2.963.681	2.909.557
Other long-term liabilities	16.2.	687.351	568.414
Total Non-current liabilities		**171.451.883**	**137.058.594**
Total liabilities		**554.295.787**	**516.114.728**
EQUITY			
Capital and reserves			
Share capital, from which:		**291.587.538**	**291.587.538**
- Subscribed and paid share capital	22	291.587.538	291.587.538
Other items of equity	22	(840.114)	(840.114)
Legal and other reserves	22	17.775.480	17.775.480
Retained earnings	22	178.803.290	177.926.099
Profit of the year		7.060.039	877.190
Total equity		**494.386.233**	**487.326.193**
Total liabilities and equity		**1.048.682.020**	**1.003.440.921**

Statement of comprehensive income at 31 March 2017

	31.03.2017 *RON*	31.03.2016 *RON*
Turnover	**222.010.583**	**188.930.880**
Sales of goods	221.911.649	188.843.116
Rendering of services	98.934	87.764
Cost of sales	(184.447.898)	(162.877.213)
Gross profit	**37.562.685**	**26.053.667**
Selling and distribution expenses	(18.028.804)	(16.093.628)
Advertising and promotion expenses	(66.448)	(18.539)
General and administrative expenses	(8.154.649)	(6.893.582)
Research and development expenses	(23.954)	(40.806)
Other operating expenses	(1.013.264)	(825.012)
Other operating income	100	133.539
Income from operations	**10.275.666**	**2.315.639**
Foreign exchange (loss) / gain, net	(240.464)	4.342.395
Finance income	950	328
Finance costs	(1.737.432)	(1.490.768)
Profit before tax	**8.298.720**	**5.167.594**
Income Tax	(1.238.681)	(1.007.375)
Profit for the year	**7.060.039**	**4.160.219**
Other comprehensive income - which cannot be reclassified in profit or loss		
Actuarial gains / (losses)	-	(18.979)
Income tax effect	-	-
Other comprehensive income (loss) for the year, net of tax	**-**	**(18.979)**
Total comprehensive income for the year, net of tax	**7.060.039**	**4.141.240**
Average number of shares	116.170.334	116.170.334
Earnings per share	**0,06**	**0,04**

Statement of changes in equity at 31 March 2017

	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 2017						
As at 1 January 2017	**291.587.538**	**15.184.422**	**2.591.058**	**178.803.289**	**(840.114)**	**487.326.193**
Profit of the year	-	-	-	7.060.039	-	**7.060.039**
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	**-**
Total comprehensive income	**-**	**-**	**-**	**7.060.039**	**-**	**7.060.039**
At 31 March 2017	**291.587.538**	**15.184.422**	**2.591.058**	**185.863.328**	**(840.114)**	**494.386.232**
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**

Statement of cash flows at 31 March 2017

Indirect method	1 January - 31 March 2017 *RON*	1 January - 31 March 2016 *RON*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	**8.298.720**	**5.167.594**
Plus / minus adjustments for:		
Depreciation	10.429.945	10.113.232
Increase / (reversal) of provisions	(1.029.925)	(943.713)
Increase / (reversal) of allowances for current assets	(1.322.384)	722.612
Exchange rate differences for financing activities	(115.259)	(5.960.780)
Variation of retirement benefits	74.226	75.550
Result from disposal of non-current assets	419.073	689.464
Interest and related expenses	1.593.114	1.312.792
Plus / minus adjustments for changes in working capital related to operating activities:		
Decrease / (increase) in inventories	(26.114.558)	(12.435.096)
Decrease / (increase) in trade and other receivables and prepayments	13.275.266	30.990.057
(Decrease) / increase in payables (except banks)	(6.546.794)	(7.780.275)
less:		
Interest paid	(1.463.007)	(1.330.306)
Total inflows / (outflows) from operating activities (a)	**(2.501.583)**	**20.621.131**
CASH FLOWS FROM INVESTING ACTIVITIES		
Amount received from disposal of non-current assets	29.368	6.024
Purchase of tangible and intangible assets	(43.652.313)	(8.950.346)
Interest received	950	328
Total inflows / (outflows) from investing activities (b)	**(43.621.995)**	**(8.943.994)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received	66.318.480	-
Repayment of loans	(29.139.300)	(7.547.628)
Repayment of finance leases (amortisation)	(50.788)	(48.178)
Total inflows / (outflows) from financing activities (c)	**37.128.392**	**(7.595.806)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(8.995.186)**	**4.081.331**
Cash and cash equivalents at beginning of period	**16.771.796**	**4.078.542**
Cash and cash equivalents at end of period	**7.776.610**	**8.159.873**

Chief Executive Officer,
Eng. Adrian Popescu

Chief Economical and Accountancy Officer,
Ec. Cristiana Vaduva

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№ 102/243 from 11.05.2017

Current Report
According to the Law No. 297/2004 regarding capital market, CNVM Regulation No. 1/2006 and BVB Code approved by CNVM Decision, no.2602/14.09.2006

Report date: 11.05.2017
Company's name: TMK- ARTROM S.A. Slatina
Localization: Draganesti street, no. 30, Slatina, Olt
Phone/fax: +40249436862/ +40249434330
Registered at Trade Register: J28/9/1991
Unique registration code: RO1510210
Subscribed capital: 291.587.538,34 RON
Subscribed and paid capital: 291.587.538,34 RON
Regulated market on which issued securities are traded: Bucharest Stock Exchange Regulated market - Category Standard (market symbol ART)

Events to be reported: The finacial statements of first quarter of year 2017.

a) Changes in leading company: it is not the case
b) Acquisitions or alienations of assets: it is not the case
c) Bankruptcy proceeding: it is not the case
d) The economic and financial indicators mentioned in 30B Annex from CNVM Regulation 1/2006 obtained at 31.03.2017.

Indicators	Calculation formula	Result
Current liquidity ratio	Current assets / Current liabilities	1,29
Indebtness indicator	Borrowed capital / Equity *100	34,68%
	Borrowed capital / Accrued capital *100	25,75%
Rotation speed of debtors-clients	The average balance – clients / Turnover * 90	80
Rotation speed of non-current assets	Turnover / non-current assets	0,40

Note:

1) It is offering the guarantee for coverage of the debts from current assets. The recommended value acceptable is about 2.

2) It is expressing the efficacy of the credit risk management, showing the potential problems of financing, liquidity, with influences in respecting the assumed commitments.

3) It is expressing the efficacy of the company in collecting its debts, respective the number of days until the date on which the debtors pay the debts to the company.

4) It is expressing the efficacy of the immobilized assets, by checking the turnover generated by a certain quantity of assets.

Chief Executive Officer,
Eng. Adrian Popescu

Chief Economical and Accountancy Officer,
Ec. Cristiana Vaduva