Financial Report for First Quarter of FY2017
According to Law 24/2017
and Romanian Commission for Transferable Securities Rules no. 1/2006 (CNVM) appendix 30

Issued on: 12.05.2017
Company Name: COMELF SA
Head-Office Address: no. 4, Industriei street, Bistrita
Phone / Fax Number: 0263/234462 ; 0263/238092
Tax Identification Number: 568656
Trade Register Registration Number: J06/02/1991
Subscribed and paid-up Share Capital: 13.579.505 lei
Regulated Market on which the securities issued are transacted: Bucharest Stock Exchange (B.S.E.)

Financial Results for the First Quarter of FY2017

The provisions of the Income and Expenditure Budget for the first quarter of 2017 have been exceeded by 10,9 % as regards the turnover and by 6,6 % as regards the goods sold.

Comelf SA, a Romanian Joint-Stock (98%) Company, an important player on the market of equipment for Gas-Turbine Power Plants, of earth-moving machinery and parts, that has 98 % of its manufactured products sold on foreign markets, has continued to earn profit also in the first quarter of 2017 although there were some factors that had a negative influence on the company's ability to earn profit.

Main Highlights, thousand lei	Q1 - 2017	Q1 - 2016	Δ %
Turnover	49.377	49.165	0,40
Total Income	48.467	46.862	3,40
Net Profit/(Loss)	1.219	1.801	(32,40)
EBITDA	4.895	4.410	(10,00)
Interest-bearing Loans	39.425	42.980	(8,30)

*****_The Financial Data are not audited and represent the individual results of Comelf SA, prepared according to International Financial Reporting Standards (IFRS);_

The Company's **Turnover** has registered a small increase in the first quarter of 2017 when compared to the same period of previous year and a significant increase in relation to the Income and Expense Budget for First Quarter of FY2017 amounting to 44.325 mii lei. The income generated by Sold Goods also shows an increase in 2017 both when compared to the same period of FY2016 and in relation to the provisions of the Income and Expenditure Budget. In principle, the growth has occurred due to the increase of Purchase Orders from old existing customers.
The Profit achieved in the first quarter of 2017 has been lower when compared to that achieved in the same period of previous year but also when compared to the Income and Expenditure Budget, the main factors that have negative influence on Profit are:

i) Significant increase of raw materials (steel) price; steel is the basic material for COMELF manufacturing, such increase could not be compensated by renegotiating sale price with our customers since most of them have a negative feedback to our requests;
ii) The minimum wage has increased to 1.450 lei/individual beginning with February 1st, 2017 according to Emergency Government Ordinance.

Additionally, for the purpose of optimizing the processes, for a medium to long-term impact on improving the Company's performance, operation costs have been recorded during the reported period for the training and implementation of KAIZEN techniques to improve process management and organization.

At present the Purchase Orders awarded to our Company ensure a 67% coverage of the provisions projected in the Income and Expenditure Budget for 2017 and several initiatives are under way to obtain additional contracts for new products that would enable us to achieve full coverage of the provisions projected in the IEB for 2017.
As regards the assets of the Company as of March 31st, 2017 we would like to outline the following facts:

(i) The net value of the fixed assets has diminished as their depreciation is recorded and the new investments made during the first quarter of 2017 have not covered the depreciation level;
(ii) Current assets as of March 31st, 2017 have increased when compared to those of December 31st, 2016, as the materials stock increased due to the increase in the volume of Purchase Orders and delivery commitments but also an increase of the commercial claims due to the high volume invoiced in March 2017;
(iii) Our own capital has increased when compared to December 31st, 2016 as profit from current fiscal year has been recorded.

The Managing Board and the Company's Management are permanently preoccupied to build up the financial stability of the company, therefore no interruptions have occurred in our activities and our position on the market has strengthened. Deleverage has occurred since part of the Investments Loan undertaken for co-financing "Fundamental Change of the Manufacturing Processes and the introduction of new technologies in order to increase COMELF productivity and performance for domestic and foreign market", as part of the Operational Program for Increasing the Economic Performance financed also with European Funds.
Investments during First Quarter of 2017: Comelf SA has registered in the first quarter (tangible assets in progress) amounting to 445 thousand lei, representing down-payments for new items of equipment and refurbishing existing equipment.

Significant Events during First Quarter of 2017:

- On March 10th, 2017, the Extraordinary General Meeting of the Shareholders took place and decision was made to downsize the registered capital by 543.179,86 lei by cancelling a number of 936.517 shares owned and available to the company according to article 104^1, par(3) and article 207, par(1) item C, of Law 31/1990 with subsequent changes. Therefore, the registered capital of the Company will be 13.036.325,34 lei, corresponding to 22.476.423 shares, with a nominal value of 0,58 lei/share, and article 7 of the Articles of Association has been updated accordingly.

The Financial Statements for the First Quarter have been reviewed and acknowledged by the Managing Board, but the Board has not prepared a Report on the subject.

General Manager,
eng. Dorin Stoian

Financial Manager,
ec. Dana Tatar

COMELF S.A. BISTRITA
Str.Industriei Nr.4
RO 568656

STATEMENT OF FINANCIAL SITUATION on 31th March 2017

In Lei

Nr. Crt.	DENUMIREA POZITIEI	31.12.2016 IFRS	31.03.2017 IFRS
1	*Actives*		
2	Intangible assets	906.950	797.137
3	Tangible assets	102.557.151	100.728.188
4	Financial assets available for sale	196.109	196.109
5	Total Fixed assets	103.660.210	101.721.434
6	Advance payments for tangible assets	148.200	177.146
7	Stocks	8.826.250	10.329.605
8	Account receivables from construction contracts	62.351.596	66.213.859
9	Commercial account receivables and of other types	1.951.560	3.012.372
10	Current tax account receivables	-	-
11	Cash and cash equivalents	5.335.529	5.610.834
12	Total Current Actives	78.613.135	85.343.816
13	Total Actives	182.273.345	187.065.250
14	Capital	13.579.505	13.579.505
15	Adjustments of the capital	8.812.271	8.812.271
16	Other elements of equity	(3.081.039)	(3.081.039)
17	Reserves	58.683.195	58.140.778
18	Repurchased own shares	(2.528.596)	(2.528.596)
19	Reported result	(7.617.345)	(3.060.240)
20	Year result	4.014.685	1.208.778
21	Total shareholder's equity	71.862.676	73.071.457
22	*Debts*		
23	*Long term bank loans*	4.350.646	3.294.755
24	Debts for postponed tax	10.932.280	10.828.962
25	*Provisions for risks and expenses*	6.818.830	6.818.832
26	Debts for postponed income	8.341.692	7.648.379
27	Total long term debts	30.443.448	28.590.928
28	Overdrafts	31.787.700	31.857.700
29	The current share for the long term loan	4.272.642	4.272.642
30	Commercial and other types of debts	37.861.532	43.088.374
31	*Provisions for risks and expenses*	2.042.482	2.009.273
32	Debts for postponed income	4.002.865	4.174.876
33	Total current debts	79.967.221	85.402.865
34	Total Debts	110.410.669	113.993.793
35	Total shareholder's equity and debts	182.273.345	187.065.250

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Stoian Dorin	Pop Stefan
General Manager	Economic Manager

PROFIT OR LOSS ACCOUNT STATEMENT AND OTHER ELEMENTS OF GLOBAL INCOME

Nr. crt.	DENUMIREA INDICATORILOR	31.03.2016	31.03.2017
1	Income from construction contracts	42.782.101	42.297.533
2	Income from selling goods	1.403.926	2.624.873
3	Other income connected to turnover	1.319.126	1.590.688
4	Other income	357.201	940.995
5	**Total operating income**	**45.862.354**	**47.454.089**
	of that: turnover	**49.165.145**	**49.376.572**
6	Raw materials and consumables expenses	19.223.193	19.599.686
7	Goods expenses	1.377.784	2.464.255
8	Staff expenses	12.379.974	13.288.879
9	Rent expenses	311.249	231.414
10	Expenses with premiums asigurarte	103.309	8.791
11	Transport costs	2.453.988	1.931.957
12	Amortization and depreciation of fixed assets costs	2.598.530	2.660.085
13	Adjustments for depreciation of current assets, net	-	-
14	Provisions costs for risks and expenses , net	(45.078)	(33.206)
15	Other operating expenses	5.117.721	5.529.785
16	**Total expenses**	**43.520.670**	**45.681.646**
17	**Profit from exloatation**	**2.341.684**	**1.772.443**
18	**Financial income**	1.000.088	1.013.122
19	**Financialexpenses**	(1.206.687)	(1.381.643)
20	**Financial loss**	**(206.599)**	**(368.521)**
21	**Total revenue**	**46.862.442**	**48.467.211**
22	**Total expenses**	**44.727.357**	**47.063.289**
23	**Profit before tax profit**	**2.135.085**	**1.403.922**
24	Tax profit	333.981	196.143
25	**Net income**	**1.801.104**	**1.207.779**
26	Other elements of global results		
27	**Revaluation of tangible assets**	-	
28	**Other comprehensive income , after tax**	-	
29	**Total profit of loss account and other elements of global result**	**1.801.104**	**1.207.779**
30	**Earnings per share**		
31	**Earnings per basic share**	**0,08**	**0,05**
32	**Diluted earnings per share**	**0,08**	**0,05**

Stoian Dorin
General Manager

Pop Stefan
Economic Manager