



**S.C. CONTED S.A.**

**Confecții textile**

**Str. 1 Decembrie 1918 nr. 8, Dorohoi, jud. Botoșani, Cod poștal: 715200, România**  
**C.I.F.: RO 622445, Nr. ORC: J07/107/1991, TEL/FAX: 0231610064/0231610026**  
**[www.conted.ro](http://www.conted.ro), e-mail: [secretariat@conted.ro](mailto:secretariat@conted.ro)**

### **Current report**

According to the regulation C.N.V.M. no. 1/2006

Date of report: 15.02.2017

Name of the company: S.C. CONTED S.A.

HEAD OFFICE: Dorohoi, 1 Decembrie Street, No. 8, Botoșani County

NUMBER IN THE TRADE REGISTRY: J07.107.1991

TAX IDENTIFICATION NUMBER: RO 622445

SHARE CAPITAL: 2. 284. 360, 06 RON

TRADE MARKET: B.V.B. standard category

IMPORTANT EVENTS TO REPORT: **Preliminary financial results at 31st of December 2016**

The company presents the main indicators achieved in 2016 according to the International Standards of Financial Report. The currency for financial reporting is leu.

The situation of the financial position, the situation of the profit or the loss and other elements of the global result, components of the individual financial situations ended at 31st of December 2016 comprise information from the accounting records corresponding to the end of the financial year of reporting and the end of the financial year previous to the one of reporting.

From the analysis of the presented elements compared to the same period of time of the previous year 2015 are seen the following situations:

From the situation of the financial position it was seen a increase of the **fixed assets** with 31.02% and of decrease **the current assets** with 11.22%.

The balance of the debts in total assets was only 14.15%, maximum level in the last 2 years, and in this period of time, the own capitals oscillated between 83.37% and 83.79% from the total of assets.

The company's **turnover** afferent to 2016 is of 16,890,499 lei from which 7,635,249 lei export and 9,255,250 lei internal, compared to 2015 when we recorded 17,501,452 lei, from which 9,127,805 lei export and 8,373,647 lei internal.

In its structure, the turnover was achieved mainly by the sale of own production in a proportion of 98 %. The value of the export sales in 2016 represents 45 %, and the value of the internal sales represent 55% from the turnover.

The recorded turnover of 2016 to the amount of 16,890,499 lei has decreased by a 3.49%, as against 2015.

**The volume of total income** achieved was to the amount of 16,194,137 lei, representing an decrease by 12.91% as against the total income obtained in 2015 to the amount of 18,595,072 lei.

**The volume of total expenses** to the amount of 15,910,386 lei has decreased by 8.53%, compared to 2015, when we recorded the amount of 17,394,387 lei. In the volume of total expenses, the staff expenses have the highest percentage of 78.84%. The staff expenses to the amount of 12,544,148 lei, have increased by 2.78 %, compared to 2015 when they recorded the amount of 12,204,794 lei, representing 74.27% from the turnover.

**The exploitation income** to the amount of 16,151,139 lei has decreased in 2016 by 12.55%, compared to 2015 when they recorded the amount of 18,468,460 lei as well as the **exploitation expenses**, to the amount of 15,828,400 lei have decreased by 8.54%, compared to 2015 when they recorded the amount of 17,306,747 lei.

In the total of the exploitation income, the sold production has the highest percentage, and from the exploitation expenses, the staff expenses has the highest percentage, to the amount of 12,544,148 lei, representing 79.25% from the total of the exploitation expenses. The exploitation activity was concluded with a profit to the amount of 322,739 lei, as against 2015 when we have recorded a profit to the amount of 1,161,713 lei, decreasing by 72.22%.

**The financial income** to the amount of 42,998 lei comes from interests and exchange differences.

**The financial expenses** to the amount of 81,986 lei come from other financial expenses (unfavorable exchange differences). The financial result is a loss to the amount of 38,988 lei as against the same period of 2015 when we recorded profit to the amount of 38,972 lei.

During the financial year 2016, the company recorded a **gross profit** to the amount of 283,751 lei, decreasing by 76.37% compared to previous year, when we recorded a gross profit to the amount of 1,200,685 lei.



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The **net result** for the year is a profit amounting 195,545 lei, decreasing by 80.61% compared to the same period of 2015 when it recorded a profit in the amount of 1,008,444 lei.

Compared with the fourth quarter of 2015 when we recorded gross profit amounting to 300,590 lei profit in the fourth quarter result in 2016 is a loss amounting to 733,933 lei.

Loss that decreased net income for the year 2016 is due to several factors among which the most important are:

- The lack of orders covering the entire production capacity of the company
- Stagnation of the flow of production due to delays in the supply of raw materials from client since the company working under lohn contract (CM - cut and make)
- Constituting the provision for employee benefits - missed holidays of the year 2016. In 2016 there were made indicators of budget revenue and expenditure.

At the end of 2016, the cash flow was a negative growth of net cash amount of 308,746 lei, the rate of 9.96% reflected in the balance of accounts at banks and house.

The financial situations were drawn up according to the:

- Order 881 from 25th of June 2012 related the application by the trade companies of securities are admitted for trading on a regulated market of the International Standards of Financial Reporting;
- The International Standards of Financial Reporting (IFRS) adopted by the European Union
- The Law 82 from 24th of December 1991 of the accountancy republished and updated;
- The Order 2844 from 12th of December 2016 for the acceptance of the bookkeeping regulations according to the International Standards of Financial Reporting, applicable to the trade companies of which movable values are admitted for trading on a regulated market;

The financial situations were approved by the Administration Board in the meeting from 06th of February 2017. We mention that the preliminary financial statements are not audited and can be modified according to the eventual bookkeeping and tax regulations that can occur in the following period of time until the General Assembly of the Shareholders.



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**PRELIMINARY STATEMENT OF FINANCIAL POSITION**

	Note	31.12.2016	31.12.2015
<b>Assets</b>			
Tangible assets	12	5,523,847	4,259,518
Intangible assets	13	38,082	43,214
Real estate investments	14	122,610	36,080
<b>Total Non-current Assets</b>		<b>5,684,539</b>	<b>4,338,812</b>
Inventories	15	1,571,167	2,670,436
Trade receivables and other receivables	16	2,452,744	1,908,666
Prepayments	16	11,576	10,243
Cash and cash equivalents	17	2,790,552	3,099,298
<b>Total Current Assets</b>		<b>6,826,039</b>	<b>7,688,643</b>
<b>Total Assets</b>		<b>12,510,578</b>	<b>12,027,455</b>
<b>Equity</b>			
Share capital subscribed	18	2,284,360	2,284,360
Other items of equity		(287,858)	(54,253)
Revaluation reserve	18	2,470,543	1,010,513
Legal reserve	18	456,661	456,661
Other reserves	18	4,080,948	4,080,948
Retained earnings		1,282,473	1,240,766
Year result	18	195,545	1,008,444
<b>Total Equity</b>		<b>10,482,672</b>	<b>10,027,439</b>
<b>Payables</b>			
<b>Long Term Payables</b>			
Payables regarding the deferred income tax	20	287,858	54,253
<b>Total Long Term Payables</b>		<b>287,858</b>	<b>54,253</b>
<b>Current Payables</b>			
Trade payables and other payables	20	1,482,963	1,390,439
Provisions for employee benefits	21	257,085	-
Advance income		-	555,324
<b>Total Current Payables</b>		<b>1,740,048</b>	<b>1,945,763</b>
<b>Total Payables</b>		<b>2,027,906</b>	<b>2,000,016</b>
<b>Total Equity and Payables</b>		<b>12,510,578</b>	<b>12,027,455</b>



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**PRELIMINARY STATEMENT OF PROFIT OR LOSS AND OTHER ITEMS OF THE GLOBAL RESULT**

<b>Continuos activities</b>	<b>Note</b>	<b><u>31.12.2016</u></b>	<b><u>31.12.2015</u></b>
Incomes	5	16,890,499	17,501,452
Other incomes	6	82,209	68,318
Incomes corresponding to the product inventory costs	6	(821,569)	898,690
<b>Total Operational incomes</b>	<b>6</b>	<b>16,151,139</b>	<b>18,468,460</b>
Expenses with raw materials and consumables	7	876,259	1,406,554
Expenses with merchandise	7	227,213	166,747
Expenses with facilities	7	1,071,584	1,288,899
Expenses with salaries, social securities and other benefits	8	12,544,148	12,204,794
Expenses with amortization	12,13,14	326,831	297,638
Expenses for the provisions	21	257,085	-
Other expenses	7	525,280	1,942,115
<b>Total Operational expenses</b>	<b>7</b>	<b>15,828,400</b>	<b>17,306,747</b>
<b>Operational activities result</b>		<b>322,739</b>	<b>1,161,713</b>
Financial incomes	10	42,998	126,612
Financial expenses	10	81,986	87,640
<b>Financial result</b>		<b>(38,988)</b>	<b>38,972</b>
<b>Result before taxation</b>		<b>283,751</b>	<b>1,200,685</b>
Expense with the current income tax	11	84,602	188,274
Expenses with the deferred income tax	11	3,604	3,967
<b>Result continuous activities</b>		<b>195,545</b>	<b>1,008,444</b>
<b>Other items of the global result</b>		<b>1,268,132</b>	<b>3,843</b>
- Deferred income tax recognized in equity account, for the surplus realized from the revaluation reserve to the extent amortized using the asset transferred to retained earnings		3,480	3,843
- Deferred income tax recognized in equity account for the increase in the revaluation reserve of property, plant „construction” and „ investment property”		(237,085)	-
- Increasing reserve from revaluation of property, plant „construction” and the „ investment property”		1,481,781	-
- Retained earnings from correction of accounting errors		19,956	-
<b>Total global result related to the term</b>		<b>1,463,677</b>	<b>1,012,287</b>
<b>Attributable profit</b>		<b>195,545</b>	<b>1,008,444</b>
Result per basic action	19	0.81	4.207
Result per diluted action	19	0.81	4.207

Chairman,  
 Eng. POPA MANOLE

Chief Economic Office,  
 EC. Mihai Elena