PREFAB S.A. BUCURESTI
Separate financial statements prepared in accordance with International Financial Reporting Standards - for the year ended on 31.12.2016
(Amounts in Ron, unless otherwise noted)

Preliminary situation of financial position on December 31, 2016

Name of indicators	**31.12.2016**	**31.12.2015**
1. Fixed assets, of which:	**232.167.487**	**232.037.899**
1.1 Intangible assets	337.401	428.847
1.2 Tangible assets	219.449.451	219.227.582
1.3 Investment Property	2.928.503	2.928.503
1.4 Biological assets	12.263	13.298
1.5 Financial assets	9.439.869	9.439.669
2. Current assets, total of which	**42.632.737**	**46.771.361**
2.1 Stocks	7.331.709	9.510.478
2.2 Trade receivables	34.712.970	36.895.681
2.3 Cash and cash equivalents	588.058	365.202
3. Expenses in advance	**750.940**	**770.680**
Total Assets	**275.551.164**	**279.579.940**

4. Own capitals	**31.12.2016**	**31.12.2015**
4.1 Subscribed and paid in share capital	24.266.709	24.266.709
4.2 Adjustment of capital (IAS 29)	0	0
4.3 Other components of own capital	(366.662)	(674.435)
4.4 Share premium	14.305.342	14.305.342
4.5 Revaluation reserves	123.203.224	123.402.750
4.6 Legal reserves	4.262.981	4.192.217
4.7 Other reserves	31.151.766	30.719.324
4.8 Own shares	0	0
4.9 Carry over result (117)	9.552.175	9.352.650
4.10 Carry over result (118)	0	0
4.11 Profit or loss of period	1.174.023	1.081.334
4.12 Distribution of profit	(70.764)	0
Total own capitals	**207.478.794**	**206.645.891**
5. Investment subsidies	**6.523.394**	**7.038.311**
6. Long-term liabilities, of which:	**19.190.715**	**17.310.619**
1. Amounts owed to credit institutions and other liabilities	18.824.053	16.636.184
2. Deferred income tax	366.662	674.435
Current debts, of which:	**42.358.261**	**48.585.119**

1. Trade debts and other type	11.915.494	15.353.241
2. Amounts owed to credit institutions	29.299.869	32.339.387
3. Debts of current taxes	1.142.898	892.491
TOTAL LIABILITIES:	**275.551.164**	**279.579.940**

Board of Directors President, **Economic Director,**

Eng. Milut Petre Marian **Ec. Boitan Daniela**

PREFAB S.A. BUCURESTI
Separate financial statements prepared in accordance with International Financial Reporting Standards - for the year ended on 31.12.2016
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Profit and loss account - preliminary on December 31, 2016

Name of indicators	**31.12.2016**	**31.12.2015**
1.1 Net turnover	**67.977.103**	**75.313.249**
1.2 Changes in inventories of finished goods and production in progress	3.019.989	5.777.472
1.3 Incomes from production of tangible assets	5.796.374	4.039.009
1.4 Other income	2.434.791	4.117.512
1. OPERATING REVENUE - TOTAL	**79.228.257**	**89.247.242**
2.1 Raw materials and consumables used	(34.383.586)	(38.160.572)
2.2 Other external expenses (for energy and water)	(12.804.158)	(17.228.995)
2.3 Employee benefits expense	(10.561.939)	(9.766.318)
2.4 Depreciation and amortization expenses	(6.135.761)	(8.782.021)
2.5 Other expenses	(12.472.665)	(13.676.495)
2. OPERATING EXPENSES - TOTAL	**(76.358.109)**	**(87.614.401)**
3. OPERATING PROFIT OR LOSS	**2.870.148**	**1.632.841**
4. Financial income	**234.580**	**1.581.980**
5. Financial expenses	**(1.689.445)**	**(1.901.527)**
6. FINANCIAL PROFIT OR LOSS	**(1.454.865)**	**(319.547)**

7. Total income	**79.462.837**	**90.829.222**
8. Total expenses	**(78.047.554)**	**(89.515.928)**
9. GROSS PROFIT	**1.415.283**	**1.313.294**
10. Income tax	**(241.260)**	**(231.960)**
11. NET PROFIT	**1.174.023**	**1.081.334**

As in previous years, in 2016 it was experienced a regression of the construction materials market. The lack of infrastructure projects, the current economic conditions and the fact that 2016 was an election year put their mark on Prefab SA company activity especially in the first half of the year.

In these conditions, the turnover registered on 31.12.2016 was affected, being with 9.74 % lower than that recorded on 31.12.2015.

The operating result on 31.12.2016 totalizes 2.870.148 Ron, compared with 1.632.841Ron, resulted on 31.12.2016, in increase compared to the previous year, the appreciation being due to policies and strategies adopted in order to optimize costs and margins offered.

The financial result on 31.12.2016 totalizes -1.454.865 Ron, compared with -319.547 Ron achieved in 2015. The financial result recorded in the year 2015 was influenced by record revenues from the distribution of dividends by Prefab Invest SA, to Prefab SA, majority shareholder who holds 99,9% of its share capital.

Current assets also increased by 0.05 %, from 232.037.899 Ron (on 31.12.2015) to 232.167.487 Ron (on 31.12.2016), an increase mainly due to the ongoing modernization of the company.

The value of current assets and other assets decreased by 8.75%, from 47.542.041 Ron (on 31.12.2015) to 43.383.677 Ron (on 31.12.2016), mainly due to stocks of finished products diminution amid an increase in demand for construction materials market in summer, a market that in the year 2016 too is unstable and affected by the lack of capital for investments.

Total liabilities decreased by 6.6%, from 65.895.738 Ron (on 31.12.2015) to 61.548.976 Ron (on 31.12.2016), a decrease due to monthly reimbursements of the long-term loans.

Board of Directors President,
Eng. Milut Petre Marian

Economic Director,
Ec. Boitan Daniela

PREFAB S.A.

Board of Directors Statement

PREFAB S.A. Board of Directors hereby declares that assumes responsibility for the preliminary financial statements made on 31.12.2016.

PREFAB S.A. Board of Directors, in respect of the preliminary financial statements made on 31.12.2016, confirm the following:

a) The preliminary financial statements made on 31.12.2016 are prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.

b) The accounting policies used in preparing the preliminary financial statements made on 31.12.2016 are in accordance with applicable accounting regulations.

b) The preliminary financial statements made on 31.12.2016 provide an accurate image of the financial position, financial performance and other information related to the business.

The company operates in conditions of continuity.

This statement is in accordance with the provisions of art. 30 by Accounting Law no. 82/1991, republished.

Board of Directors President,

Eng. Milut Petre Marian