



TURBOMECANICA

244 Iuliu Maniu Bd. District 6 Postal Code 061126 Bucharest – Romania

Tel.: (+4) 021 434 07 41 Fax: (+4) 021 434 09 21; (+4) 021 434 31 65

Trade Registry Code J40/533/1991

Fiscal Registration Code RO3156315 Sole Registration Code 3156315

Fully Paid Share Capital 36.944.247,50 RON

www.turbomecanica.ro; e-mail: office@turbomecanica.ro

Nr.20/15.05.2017

QUARTERLY REPORT IN ACCORDANCE WITH THE 297/2004 LAW,
ARTICLE NO. 227 AND CNVM REGULATION NO. 1/2006
REPORT DATE: 31.03.2017

COMPANY TURBOMECANICA S.A.

REGISTERED OFFICE: 244 Iuliu Maniu Blv., District 6, Bucharest, ROMANIA

TELEPHONE / FAX: 021 434.07.41 / 021 434.09.21

TRADE REGISTRY CODE: J40/533/1991;

FORM OF OWNERSHIP: Majority private;

MAIN ACTIVITY: 3030 Manufacturing of Aircrafts and Spaceships;

FISCAL REGISTRATION CODE RO3156315 SOLE REGISTRATION CODE 3156315

REGULATED MARKET ON WHICH SECURITIES ISSUED ARE TRADED: Bucharest Stock Exchange;

CALLED-UP AND PAID IN SHARE CAPITAL: 36,944,247.50 LEI.

1. ECONOMIC AND FINANCIAL SITUATION

A. Balance Sheet Statement: comprises information related to Company's assets, liabilities liquidities and invested profit, which is reported in the Financial Statement Report and Quarterly Report as at 31 March 2017,

B. Financial Results Report: comprises information about the Company's turnover, gross revenues, and material expenses as per attached documents.

Accounting reports issued as at 31 March 2017 are not financially audited.

2. COMPANY'S ACTIVITY ANALYSIS

2.1 Tendencies, elements, events or uncertainty factors that affect or could affect liquidity:

There were no tendencies, elements, events or significant uncertainty factors that affected liquidity. The volatility of the domestic aviation market could be considered an uncertainty factor but with low effect to the liquidity.

2.2. The effects on the financial statements:

The evolution of operating revenues recorded an increase compared to the same period of the previous year (31 March 2016) by 47,5% as the company recorded net profit of 2.218.244 RON, at the end of First Quarter 2017.

2.3. Events, transactions, economic changes that significantly affect the revenues generated by the main activity:

At the end of First Quarter 2017, the Company achieved operating revenues in amount of RON 21.724.084 and operating expenses up to RON 18.484.864.

The largest share of the recorded revenues is related to manufacturing activities, in line with the main profile of the Company.

3. CHANGES AFFECTING THE SHARE CAPITAL AND MANAGEMENT OF THE COMPANY.

3.1 Cases in which TURBOMECANICA S.A. was unable to respect its financial obligations:

There were no cases in which the Company failed to comply with its financial obligations.

3.2 Amendments to the rights of the securities holders issued by TURBOMECANICA S.A.:

In the reported period, respectively 01 January 2017 - 31 March 2017 there were no changes in the rights of the shareholders of the company.

4 ANNEXES :

-MANAGEMENT REPORT as at	31.03.2017.
-FINANCIAL STATEMENT REPORT as at	31.03.2017.
-FINANCIAL RESULTS REPORT as at	31.03.2017.
-ECONOMIC AND FINANCIAL INDICATORS as at	31.03.2017.

PRESIDENT- GENERAL MANAGER

Eng.

VIEHMANN RADU

FINANCIAL & COMMERCIAL MANAGER

Ec.

ANGHEL CLAUDIA



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Subject: REPORT OF THE BORD OF ADMINISTRATION OF TMB FOR MARCH 2017

TURBOMECANICA SA is a Romanian entity having the legal form of open a joint stock Company according to the Constitutive Act and applicable regulations, privately owned, whose shares are listed on the Bucharest Stock Exchange.

Its field of activity is exclusively manufacturing and according to the classification of activities in the national economy, its main object of activity is the Manufacturing of engines, mechanical assemblies and equipment for aircraft – NACE CODE 3030.

The Company carries out its activity in a highly competitive environment according to the widely recognised principles of corporate governance, in accordance with Romanian legislation, the legislation of the European Union and international practices, supplying on domestic and foreign markets products and services both in the field of defence and civil aviation.

The Company has a long history of start-ups; it has experienced diversification and developments, but also restructures, falls, searches, new beginnings. However, throughout all this time, it has never stopped operating in the aviation and defence industry.

The financial results will be included in the financial statements of the year 2017, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

1. Statement of profit and loss:

	<u>31 MARCH 2017</u>	<u>31 MARCH 2016</u>
Revenues	19.358.538	9.335.996
Other gains and loss	1.077.238	1.651.060

Change in inventories of finished goods and work in progress	2.362.752	5.384.272
Raw materials and consumables used	(9.497.577)	(5.635.346)
Employee benefits expense	(6.985.616)	(5.353.578)
Depreciation and amortisation expense	(1.618.301)	(1.390.742)
Finance cost, net	(852.232)	(717.605)
Othe operating expenses	(1.086.140)	(1.160.674)
Gross profit/Profit before tax	2.758.662	2.113.383
Income tax expense/ benefit	540.418	470.168
Net profit	2.218.244	1.643.215

The Company recorded operating revenues in amount of Lei 21.724.084 and operating expenses in amount of Lei 18.484.864.

The largest share of this revenue was made through specific activities related to the production profile of the Company.

If we analyze the evolution of operating revenues we notice an increase compared to the same period of the previous year (31.03.2016) by 47,5%, the Company recorded net profit in amount of Lei 2.218.244, at the end First Quarter.

2. Statement of financial position:

	31 MARCH 2017	31 DECEMBER 2016
Assets		
Fixed assets		
Property, plant and equipment, net	53.950.063	58.036.177
Intangible assets, net	8.263.465	8.777.087
Other assets	479.000	604.960
Total fixed assets	62.692.528	67.418.225
Current assets		
Inventory	31.268.015	25.039.278
Trade receivables	3.055.441	2.684.621
Other receivables and prepayments	1.466.869	3.048.543
Cash and bank balances	3.161.394	11.501.493

Non current assets classified as held for sale	10.550.484	7.048.889
Total current assets	49.502.203	49.322.823
Total assets	112.194.731	116.741.048
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	1.024.571.055	1.024.571.055
Reserves	80.462.625	80.520.812
Retained earnings	(1.056.554.098)	(1.058.231.12)
Own shares	-	(562.427)
Total shareholder equity	48.479.581	46.298.318
Long term liabilities		
Borrowings LT	3.186.318	3.186.319
Deferred tax liabilities	3.698.929	3.698.929
Provisions LT	1.322.411	1.382.087
Other liabilities LT	1.023.750	1.022.968
Total liabilities TL	9.231.408	9.290.302
Current liabilities		
Short term loans	5.977.964	7.007.591
Borrowings ST	41.152.211	41.406.464
Income tax expense/benefit	540.418	1.252.348
Provisions ST	2.195.560	2.856.881
Deferred income	238.038	160.063
Other liabilities ST	4.379.549	8.469.080
Total current liabilities	54.483.740	61.152.428
Total liabilities	63.715.148	70.442.730
Total shareholder equity and liabilities	112.194.731	116.741.048

The share capital of the Company is in amount of Lei 48.479.581.

The accounting activity was conducted in accordance with the OMFP no. 2844/2016 for the approval of accounting regulations, in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market and in accordance with the Accounting Law no. 82/1991 with all its subsequent amendments.

All documents regarding economic and financial operations have been recorded correctly every day.

Economic and financial operations have been recorded based on financial documents. All accounting information has been posted in the correct accounting statement (assets, liabilities and equity) and corresponds to the real situation of the Companies patrimony.

The debt towards the State Budget has been correctly registered, paid and reflected in the balance sheet. We state that the Financial Statements at 31 March 2017 are unaudited financial.

PRESIDENT OF THE BOARD OF DIRECTORS

RADU VIEHMANN

**STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017**

	31 MARCH 2017	31 DECEMBER 2016
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**PRESIDENT GENERAL
MANAGER,
RADU VIEHMANN**

**FINANCIAL & COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

**STATEMENT OF PROFIT AND LOSS
AT 31 MARCH 2017**

	31 MARCH 2017	31 MARCH 2016
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**PRESIDENT GENERAL
MANAGER,
RADU VIEHMANN**

**FINANCIAL & COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

FINANCIAL-ECONOMIC INDICATORS
31 MARCH 2017

No.	Economic indicators	Formula	31 MARCH 2017	31 MARCH 2016
1	Current liquidity ratio	current assets / current liabilities	0,91	0,76
2	Total debt ratio	(Borrowed capital-Deferred tax liabilities /Share Capital)	0,09	0,22
3	Receivable turnover ratio	(Accounts Receivable / Turnover) * 90 days	13,34	17,03
4	Fixed assets turnover ratio	Turnover / Fixed assets	0,31	0,14

**PRESIDENT GENERAL
MANAGER,
RADU VIEHMANN**

**FINANCIAL & COMMERCIAL MANAGER,
CLAUDIA ANGHEL**

Our Reference: 21 Date: 15/05/2017

NOTIFICATION

The management of **TURBOMECHANICA SA**, having the registered office in Bucharest, 244 Iuliu Maniu Blv., District 6, legally represented by the President of the Managing Board, Eng. VIEHMANN RADU, informs the Investors and Shareholders of the Company that the Q1 2017 financial results Report, is available on the Company's website: **www.turbomecanica.ro**

The Q1 2017 Financial results Report is available at the following link:

PRESIDENT- GENERAL MANAGER
VIEHMANN RADU

FINANCIAL & COMMERCIAL MANAGER
ANGHEL CLAUDIA